

ORIGINAL



0000143845

BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
CHAIRMAN
GARY PIERCE
COMMISSIONER
BRENDA BURNS
COMMISSIONER
ROBERT BURNS
COMMISSIONER
SUSAN BITTER SMITH
COMMISSIONER

2013 MAR 29 P 1:15

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
FAR WEST WATER & SEWER, INC., AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
WASTEWATER RATES AND CHARGES
BASED THEREON FOR UTILITY SERVICE.

Docket No. WS-03478A-12-0307

NOTICE OF FILING

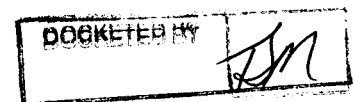
The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing
the Surrebuttal Testimony of Thomas H. Fish, Royce A. Duffett, William A. Rigsby and
Timothy J. Coley in the above-referenced matter.

RESPECTFULLY SUBMITTED this 29th day of March, 2013.

Michelle L. Wood
Counsel

Arizona Corporation Commission
DOCKETED

MAR 29 2013



1 AN ORIGINAL AND THIRTEEN COPIES
2 of the foregoing filed this 29th day
3 of March, 2013 with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

8 COPIES of the foregoing hand delivered/
9 mailed this 29th day of March, 2013 to:

10 Lyn Farmer
11 Chief Administrative Law Judge
12 Hearing Division
13 Arizona Corporation Commission
14 1200 West Washington
15 Phoenix, Arizona 85007

16 Janice Alward, Chief Counsel
17 Legal Division
18 Arizona Corporation Commission
19 1200 West Washington
20 Phoenix, Arizona 85007

21 Steven Olea, Director
22 Utilities Division
23 Arizona Corporation Commission
24 1200 West Washington
Phoenix, Arizona 85007

Jeffrey W. Crockett
Brownstein Hyatt Farber Schreck LLP
One E. Washington St., Suite 2400
Phoenix, Arizona 85004

Craig A. Marks
Craig A. Marks, PLC
10645 N. Tatum Blvd., Suite 200-676
Phoenix, Arizona 85028

Robert C. Gilkey
Barbara S. Gilkey
14784 E. 49th Street
Yuma, AZ 85367

Robert Rist
9593 E. 34th Place
Yuma, AZ 85365

Rodney Taylor
Kim Taylor
11440 E. 26th Lane
Yuma, AZ 85367

Seth Davis
Barbara Davis
2006 S. Arboleda Dr.
Merced, CA 95341

Jerry S. Durden
12789 E. 46th St.
Yuma, AZ 85367

By Cheryl Fraulob
Cheryl Fraulob

FAR WEST WATER & SEWER , INC.

DOCKET NO. WS-03478A-12-0307

SURREBUTTAL TESTIMONY

OF

THOMAS H. FISH, PH.D.

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

MARCH 29, 2013

1
2
3
4
5

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	i
INTRODUCTION.....	1
PLANT CAPACITY.....	1

EXECUTIVE SUMMARY

RUCO consultant Thomas H. Fish, Ph.D. responds to the rebuttal testimony of Far West witness Ray L. Jones on the plant capacity issue associated with Far West's request for a permanent rate increase. Based on his review of Mr. Jones' rebuttal testimony, Dr. Fish recommends the following:

Dr. Fish continues to recommend that no more than 69.90 percent of Far West's investment in wastewater treatment should be considered to be beneficial to current Far West customers.

Dr. Fish continues to advocate that Far West overstated its depreciable utility plant in service ("UPIS") by \$10,936,720 which results in an overstatement of the revenue requirement by \$1,329,304.

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is Thomas H. Fish. I am President of Ariadair Economics Group.
My business address is 1020 Fredericksburg Rd., Excelsior Springs, MO
64024.

**Q. Are you the same Thomas Fish that presented testimony on behalf of
RUCO earlier in this proceeding?**

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to address various questions
raised by the Company regarding my direct testimony which addressed
Far West's plant capacity.

PLANT CAPACITY

**Q. Have you reviewed the rebuttal testimony of Far West consultant Ray
L. Jones, which was filed on March 11, 2013?**

A. Yes. I have reviewed the rebuttal testimony of Mr. Jones who takes issue
with my plant capacity recommendations.

...

1 **Q. Mr. Jones complains that the plant capacity should be evaluated on**
2 **an individual basis rather than on a system-wide basis. Do you**
3 **agree?**

4 A. No. As shown by Mr. Duffett, the results of individual analysis and
5 aggregate analysis are the same so there is no gain or loss by selecting
6 one procedure over the other.

7
8 **Q. Mr. Jones claims that Mr. Duffett should have used December 31,**
9 **2011 design capacity in his analysis rather than Ultimate design**
10 **capacity. Do you agree?**

11 A. No. Mr. Jones presented the design capacities in his filings and, as such,
12 they were accepted as valid.

13
14 **Q. Do the criticisms by Mr. Jones have merit regarding Mr. Duffett's**
15 **analysis?**

16 A. No.

17
18 **Q. Does Mr. Jones admit that Far West has excess capacity?**

19 A. Yes. In fact, Mr. Jones admits that Far West does have excess capacity.

20
21
22 ...
23

1 **Q. Mr. Jones complains that a rate base adjustment has already been**
2 **made and that Dr. Fish's adjustment is double counting. Do you**
3 **agree?**

4 A. No. Mr. Jones used dollars of different weighted values which distort the
5 results of an analysis. Equal value dollars should be used and these are
6 what I used.

7
8 **Q, Does Mr. Jones complain about your use of depreciation?**

9 A. Yes. However, his complaints are not legitimate. My analysis is an
10 aggregate analysis and as such properly bundles the depreciable items
11 together.

12
13 **Q. Does your silence on any other issues, matters or findings**
14 **addressed in the rebuttal testimony of Mr. Jones or any other**
15 **witness constitute your acceptance of the Company's positions on**
16 **such issues, matters or findings?**

17 A. No, it does not.

18
19 **Q. Does this conclude your surrebuttal testimony on the plant capacity**
20 **issue?**

21 A. Yes, it does.

FAR WEST WATER & SEWER, INC.

DOCKET NO. WS-03478A-12-0307

SURREBUTTAL TESTIMONY

OF

ROYCE A. DUFFETT

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

MARCH 29, 2013

1
2
3
4
5

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....i

INTRODUCTION..... 1

EXCESS CAPACITY..... 1

EXECUTIVE SUMMARY

RUCO consultant Royce A. Duffett, P.E., responds to the rebuttal testimony of Far West witness Ray L. Jones on the excess capacity issue associated with Far West's request for a permanent rate increase. Based on his review of Mr. Jones' rebuttal testimony, Mr. Duffett continues to believe that 30.10 percent of the Company's plant in service is not used and useful

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is Royce A. Duffett. I am an engineer with Ariadair Economics Group. My business address is 414 S. Thompson Ave., Excelsior springs, MO 64024. I am also owner of RAD Construction and Engineering, a Design/Build company, at 411 W. Lexington, Richmond, MO 64085.

Q. Have you filed any prior testimony in this case on behalf of RUCO?

A. Yes. On February 8, 2013, I filed direct testimony that presented my recommendation on the percentage of Far West's wastewater plant that should be afforded rate base treatment.

Q. Please state the purpose of your surrebuttal testimony.

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Far West witness Ray L. Jones, which was filed on March 11, 2013.

EXCESS CAPACITY

Q. Why was your analysis of the Far West wastewater system done on a system wide basis rather than each plant individually?

A. Although each plant operates independently from each other, the customers are paying and are proposed to be paying the same rate for each plant. We were taught the distributive property of mathematics in

1 junior high. Therefore: (plant A + plant B+ plant C) x rate R = plant A x
2 Rate R + plant B x rate R + Plant C x rate R. So determining the used and
3 useful capacity of individual plants and then adding them together will
4 result in the same value as determining the overall used and useful
5 capacity of the total system.

6
7 **Q. Why was a design capacity of 2,332,500 gpd used in the**
8 **calculations?**

9 A. Testimony provided by Mr. Jones in Attachment E of the Company's
10 application gives the design capacity of each individual plant which when
11 added together have a total capacity of 2,332,500 gpd.

12
13 **Q. Mr. Jones claims you use an arbitrary number of 10.00 percent for**
14 **growth. Could you explain the reason behind the 10.00 percent**
15 **factor used.**

16 A. There is no real way to determine the amount of growth that will occur in
17 the service area. The census bureau provides data with relation to
18 population growth in the zip code of 85367 and Yuma County. According
19 to the census bureau the population of these areas experienced a growth
20 of 16.45 percent and 22.32 percent respectively from 2000 to 2010.

21
22 According to the rate case filing in 2008, Far West Sewer had 7,199
23 residential customers. According to the application filed in this rate

1 request, Far West Sewer has 7,067 residential customers. This results in
2 a loss of 1.75 percent of their residential customers in the last 5 years.
3 During the same time period the commercial customers increased from 38
4 to 44. Simply put, the amount of growth that Far West will experience in
5 the next five years is an engineering guess. If you average the two growth
6 rates from the census bureau and then divide by two to obtain a 5 years
7 growth rate you will arrive at the 10.00 percent I used for my calculations.
8 Based off of the customer history of the plant, I believe this is a more than
9 fair value to use for growth.

10
11 **Q. Does your silence on any other issues, matters or findings**
12 **addressed in the rebuttal testimony of Mr. Jones or any other**
13 **witness constitute your acceptance of the Company's positions on**
14 **such issues, matters or findings?**

15 **A.** No, it does not.

16
17 **Q. Does this conclude your surrebuttal testimony on Far West's filing?**

18 **A.** Yes, it does.

FAR WEST WATER & SEWER, INC.

DOCKET NO. WS-03478A-12-0307

SURREBUTTAL TESTIMONY

OF

WILLIAM A. RIGSBY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

MARCH 29, 2013

1
2
3
4
5
6
7
8
9
10
11

TABLE OF CONTENTS

EXECUTIVE SUMMARY i

INTRODUCTION 1

SUMMARY OF REBUTTAL TESTIMONY 2

COST OF CAPITAL 3

ATTACHMENT A – Value Line Water Utility Industry Update

ATTACHMENT B – Value Line Natural Gas Utility Industry Update

ATTACHMENT C – Zacks Earnings Projections

ATTACHMENT D – Value Line Selected Yields

ATTACHMENT E – Wall Street Journal Article

SURREBUTTAL SCHEDULES WAR-1 through WAR-9

EXECUTIVE SUMMARY

RUCO responds to the rebuttal testimony of Far West consultant Ray L. Jones on the cost of capital issues associated with the Company's request for a permanent rate increase. Based on its review of Mr. Jones' rebuttal testimony, RUCO recommends the following:

Cost of Equity – RUCO continues to recommend that the Commission adopt a 9.25 percent cost of common equity. This 9.25 percent figure is 51 basis points more than the high side of the range of results obtained in RUCO's cost of equity analysis, and is 75 basis points lower than the 10.00 percent cost of equity capital proposed by Far West Water & Sewer, Inc.

Capital Structure – RUCO continues to recommend that the Commission adopt Far West's end of test year adjusted capital structure comprised of 79.55 percent long-term debt, 6.46 percent short-term debt and 13.98 percent common equity.

Cost of Debt – RUCO continues to recommend that the Commission adopt a 6.90 percent cost of long-term debt and 8.07 percent cost of short-term debt.

Weighted Average Cost of Capital – RUCO continues to recommend that the Commission adopt RUCO's recommended 7.30 percent weighted average cost of capital ("WACC"), which is the weighted cost of RUCO's recommended costs of long-term and short-term debt, and common equity which is 20 basis points lower than the 7.50 percent WACC being proposed by Far West in Mr. Jones' rebuttal testimony.

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My Name is William A. Rigsby. I am the Chief of Accounting and Rates for the Residential Utility Consumer Office ("RUCO") located at 1110 W. Washington, Suite 220, Phoenix, Arizona 85007.

Q. Have you filed any prior testimony in this case on behalf of RUCO?

A. Yes. On February 8, 2013, I filed direct testimony that presented RUCO's recommendations on the cost of capital for Far West.

Q. Please state the purpose of your surrebuttal testimony.

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Far West witness Ray L. Jones, which was filed on March 11, 2013.

Q. Will RUCO be filing surrebuttal testimony on the rate base, operating income and rate design issues in this case?

A. Yes. Those aspects of the case will be addressed in the surrebuttal testimony of RUCO rate analyst Timothy J. Coley. RUCO consultants Thomas H. Fish, Ph.D. and Royce A. Duffett, P.E will sponsor surrebuttal testimony on RUCO's excess capacity adjustments.

1 **Q. How is your surrebuttal testimony organized?**

2 A. My surrebuttal testimony is comprised of three parts: the introduction that
3 I've just presented; a brief summary of Far West's rebuttal testimony; and,
4 a section on cost of capital.
5

6 **SUMMARY OF REBUTTAL TESTIMONY**

7 **Q. Briefly summarize Far West's rebuttal testimony.**

8 A. Far West witness Ray L. Jones, asserts in his rebuttal testimony that my
9 recommended cost of common equity fails to take into account the amount
10 of leverage in Far West's capital structure. He also takes the position that
11 the companies included in my proxy group are all far larger and much less
12 risky than Far West. Mr. Jones further states that I relied on a DCF
13 methodology which the Commission regularly rejects. Mr. Jones states
14 that it is questionable whether Far West even satisfies the requirements
15 needed to apply the DCF model, given that the Company does not
16 generate retained earnings or pay dividends. Finally, Mr. Jones is critical
17 of my reliance on a geometric mean in my CAPM analysis as opposed to
18 relying only on an arithmetic mean on the returns of the risk-free
19 investment component.
20
21
22
23

1 **COST OF CAPITAL**

2 **Q. Have you reviewed Mr. Jones' rebuttal testimony on the cost of**
3 **capital issues in this case?**

4 A. Yes.

5
6 **Q. Are you still recommending that the Commission adopt Far West's**
7 **end of test year adjusted capital structure?**

8 A. Yes.

9
10 **Q. How does your capital structure recommendation compare to the**
11 **capital structure recommendations of ACC Staff and the Company?**

12 A. ACC Staff Witness John A. Cassidy is recommending that the
13 Commission adopt the combined capital structure of Far West's water and
14 wastewater divisions. In response to Mr. Cassidy's recommendation, Mr.
15 Jones has modified Far West's end of test year adjusted capital structure
16 as set forth below. I continue to recommend Far West's end of test year
17 adjusted capital structure for the Company's sewer division. A
18 comparison of the parties' positions on capital structure is as follows:

20		<u>Company</u>	<u>ACC Staff</u>	<u>RUCO</u>
21	Long-term Debt	78.96%	72.30%	79.55%
22	Short-term Debt	3.35%	0.00%	6.46%
23	Common Equity	17.51%	27.70%	13.98%

1 **Q. Have you revised your recommended costs of long-term and short-**
2 **term debt?**

3 A. No.
4

5 **Q. Are the parties to the case in agreement on Far West's cost of debt?**

6 A. At this stage of the proceeding the answer is no. The parties are
7 recommending the following costs of long-term and short-term debt:
8

	<u>Company</u>	<u>ACC Staff</u>	<u>RUCO</u>
9			
10	Long-term Debt	6.70%	6.40%
11	Short-term Debt	10.00%	0.00%
12			8.07%

13 **Q. Have you had an opportunity to update your cost of equity analysis?**

14 A. Yes. I updated my cost of equity analysis to include Connecticut Water
15 Service, Inc. in my water company sample (Attachment A). I also updated
16 my natural gas sample with more recent data published in Value Line's
17 March 8, 2013 quarterly update on the natural gas utility industry
18 (Attachment B). I further updated the eight weeks of closing stock prices
19 used in my DCF model and the most recent eight week average of the 30-
20 year Treasury instrument used in the CAPM. The results of my updated
21 analysis can be viewed in my Surrebuttal Schedules WAR-1 through
22 WAR-9.
23

1 **Q. Have you revised your recommended 9.25 percent cost of common**
2 **equity for Far West as a result of your updated cost of capital**
3 **analysis?**

4 A. No.
5

6 **Q. How does your cost of common equity recommendation compare**
7 **with the recommendations of Far West and ACC Staff?**

8 A. My 9.25 percent cost of common equity is 75 basis points lower than the
9 10.00 percent cost of common equity being proposed by both Far West
10 and ACC Staff.
11

12 **Q. Please compare the recommended weighted average cost of capital**
13 **("WACC") being proposed by Far West, ACC Staff and RUCO at this**
14 **stage of the proceeding.**

15 A. Far West's witness, Mr. Jones is recommending a WACC of capital of
16 7.50 percent that is 10 basis points higher than the 7.40 percent
17 recommended by ACC Staff's witness, Mr. Cassidy. My recommended
18 7.30 percent WACC is 20 basis points lower than Mr. Jones'
19 recommendation and 10 basis points lower than Mr. Cassidy's
20 recommendation.
21

22 ...
23

1 **Q. Has the Federal Reserve made any changes to its current policy to**
2 **keep interest rates low for an extended period of time since you filed**
3 **your direct testimony?**

4 A. No. As can be seen in Attachment E of my surrebuttal testimony, at its
5 most recent meeting on March 19, and 20, 2013, the Federal Reserve
6 decided not to raise the Federal Funds rate from its current level. The Fed
7 also reiterated its policy to keep interest rates at their current low levels
8 until unemployment reaches 6.50 percent (depending on the rate of
9 inflation). The Fed continues to believe that, given current projections of
10 economic growth, its target unemployment rate will probably not reach
11 6.50 percent until sometime during the latter part of 2014 or early 2015.
12 The national unemployment rate currently stands at 7.70 percent.

13
14 **Q. Please respond to Mr. Jones' assertion that your recommended cost**
15 **of equity fails to take into account the amount of leverage in Far**
16 **West's capital structure.**

17 A. My 9.25 percent recommended cost of common equity is 51 basis points
18 higher than the 8.74 percent DCF result from my updated natural gas
19 sample, and is 81 basis points higher than the 8.44 percent DCF result
20 that I obtained from my updated water company sample which now
21 includes Connecticut Water Service, Inc. As I explained in my direct
22 testimony, the results of my cost of capital analysis were derived from
23 companies that had, on average, more balanced capital structures, and

1 lower financial risk, than Far West and for this reason I believe that the
2 upward adjustment that I have made to arrive at my recommended 9.25
3 percent cost of common equity adequately takes Far West's leveraged
4 capital structure into consideration.

5
6 **Q. Please address Mr. Jones' position that the companies included in**
7 **your proxy group are all larger and much less risky than Far West.**

8 A. Mr. Jones is being somewhat disingenuous given the fact that the same
9 can be said for ACC Staff's sample companies, yet he levels no such
10 criticism on Mr. Cassidy who is recommending the same 10.00 percent
11 cost of common equity as he is. The water companies in my proxy are
12 essentially comprised of a collection of smaller operating subsidiaries that
13 are similar to Far West and face the same types of risks that Far West
14 faces. As I stated earlier, my recommended 9.25 percent cost of common
15 equity addresses any additional financial risk faced by Far West.

16
17 **Q. Please comment on Mr. Jones' statement that you relied on a DCF**
18 **methodology that the Commission regularly rejects.**

19 A. As I stated in my direct testimony, the Commission has adopted cost of
20 common equity estimates that were produced using the same DCF
21 methodology that I rely on in prior litigated cases that involved Southwest
22 Gas Corporation and Global Water. Furthermore, in May of 2012, the
23 Commission approved a settlement agreement on Arizona Public Service

1 Company that adopted my recommended cost of common equity which
2 was derived from the same DCF methodology that I relied on in this
3 proceeding. The recent Tucson Electric Power Company settlement
4 agreement also adopted my recommended cost of common equity using
5 the same methodology. I will also say that while the Commission may not
6 have adopted my recommended cost of equity in every case that I have
7 testified in, the Commission has adopted costs of common equity that
8 were very close to what I recommended using the same methodology that
9 I used in this proceeding

10
11 **Q. Do you believe there is any merit in Mr. Jones' statement that it is**
12 **questionable whether Far West even satisfies the requirements**
13 **needed to apply the DCF model, given that the Company does not**
14 **generate retained earnings or pay dividends.**

15 **A.** No. The purpose of using the DCF model is to obtain a cost of equity
16 figure for Far West by relying on a proxy comprised of companies that
17 face the same types of risk that Far West faces. Once again, Mr. Jones is
18 being disingenuous. He criticizes me on this point yet ignores the fact that
19 ACC Staff's witness, Mr. Cassidy has relied on two different versions of
20 the DCF model to derive a cost of equity capital which Mr. Jones agrees
21 with.

1 **Q. Did Mr. Jones conduct a cost of capital analysis using a DCF model**
2 **that would produce a cost of common equity estimate that is**
3 **comparable to the estimates that you and Mr. Cassidy are**
4 **recommending?**

5 A. No. He did not.
6

7 **Q. Please address Mr. Jones' criticism of your reliance on geometric**
8 **means in your CAPM analysis.**

9 A. The use of geometric means in the market risk premium component of the
10 CAPM has been adopted by the Commission in a number of rate case
11 proceedings including UNS, Electric, Inc.¹ in which the Commission stated
12 the following in Decision No. 71914, dated September 30, 2010:

13 "We also continue to believe, consistent with our findings in
14 several prior cases, that it is appropriate to consider the
15 geometric returns in calculating a comparable company
16 CAPM because to do otherwise would fail to give
17 recognition to the fact that many investors have access to
18 such information for purposes of making investment
19 decisions."
20

21 **Q. Did Mr. Jones conduct a cost of capital analysis using a CAPM**
22 **model that would produce a cost of common equity estimate that is**
23 **comparable to the estimates that you and Mr. Cassidy are**
24 **recommending?**

25 A. No. He did not.
26

¹ Docket No. E-04204A-09-0206

1 **Q. Does your silence on any other issues, matters or findings**
2 **addressed in the rebuttal testimony of Mr. Jones or any other**
3 **witness constitute your acceptance of the Company's positions on**
4 **such issues, matters or findings?**

5 **A. No, it does not.**

6

7 **Q. Does this conclude your surrebuttal testimony on the cost of capital**
8 **issues in Far West's filing?**

9 **A. Yes, it does.**

ATTACHMENT A

The Water Utility Industry has remained a hotbed of investor activity, with Wall Street continuing to pour money into the sector since our October review. As a result, the group now sits in the upper echelons of the *Value Line Investment Survey* for Timeliness, ranking 4th out of the 98 industries we analyze. It was ranked 28th three months ago and 54th back in July.

Sentiment has been steadily improving, with the industry continuing to see interest from investors with concerns about the broader-based economy. Although the highly anticipated fiscal cliff appears to have been averted for now, global economies have been slow to improve, and in some cases, appear years away from turning the corner. Water utility stocks have historically done well during times of economic uncertainty, with their dividends providing some shelter.

The recent spike in attention is warranted by company-specific fundamentals, too, though. Nearly every water provider in our *Survey* posted record earnings in the September quarter. (Note that none of the companies had released December-period results as of the writing of this report.)

That said, industry conditions are likely to stiffen going forward. Although the regulatory environment ought to remain favorable, and be a big help with costs, providers will be left holding sizable tabs, nonetheless. Unfortunately, most operating in this space lack the cash balances to meet the capital requirements that loom.

Industry Basics

One of, if not the, biggest essentials to sustaining just about any life form, water demand is undeniable. As a result, demand will probably continue to grow along with the population, with the only other major determinant being weather conditions. Given water's necessity, each individual state has a regulatory body in place that is responsible for the safe and timely delivery of water as well as for maintaining a balance of power between providers and customers. Recently, regulators have become far more business-friendly, handing down more favorable rulings on general rate cases and allowing providers to recoup some of the growing costs of operating a utility. State regulators review and rule on general rate case requests submitted by providers looking to recover costs incurred during distribution, and therefore are vital to each company's future. Every provider has a lot riding on the cases under review.

Swimming In Expenses

Despite the improved regulatory environment, water providers are still left holding the bill for most of the infrastructure improvements that need to be made. And that can be substantial amounts of cash in this space, given the age and conditions of many of these infrastructures. However, the majority of those operating here lack the finances to fund the improvements on their own, and are forced to look to outside financiers in order to meet the capital requirements. Although external financing has become commonplace, the increased shares and or debt taken on in order to finance the upgrades are eating away at profits and diluting shareholder gains.

The extravagant costs have spurred significant M&A

INDUSTRY TIMELINESS: 4 (of 98)

activity, with those not willing or capable of raising the necessary capital shopping themselves, looking for larger, better equipped suitors. More capable players, such as *Aqua America* have been taking advantage of this trend, using the spike in activity to grow their businesses and expand their footprints.

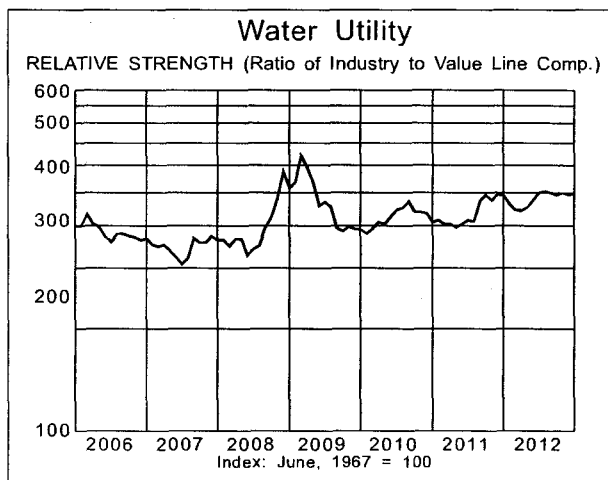
Conclusion

There remains a couple of timely plays in this group. Momentum investors will probably be interested in *American States Water*, *SJW Corp.*, and *Aqua America*, all of which rank 2 (Above Average) thanks to recent earnings power. *American* and *Aqua*, meanwhile, also score favorably (2: Above Average) for Safety, adding to their appeal on a risk-adjusted basis.

That said, not a single issue holds worthwhile price appreciation potential out to mid-decade. The capital-intensive nature of this business, coupled with financial constraints, spell trouble for the future gains of those in this space. Indeed, maintenance costs alone are expected to cost operators hundreds of millions of dollars each year.

Even still, the industry's main draw has long been its income component. All of the stocks here offer above average dividend yields and appear to be worthy of consideration for those looking to add a steady income producer to their portfolios at first blush. However, deeper evaluation gives us some pause regarding the sustainability of these yields long term with our concerns about the rising costs of doing business and inadequate finances threatening to offset any benefits from regulatory improvements. As such, we believe that there are better income vehicles elsewhere, particularly in the Electric Utility Industry. Nevertheless, as always, we advise potential investors to carefully review the individual reports of each stock in the group, with a keen eye on company finances and future cash flow. Both will be very telling heading forward, especially if regulators take a more consumer friendly approach. Investors ought to note that *Connecticut Water Service*, is making its inaugural appearance in our *Survey*.

Andre J. Costanza



<p>(A) Diluted earnings. Excludes nonrecurring losses: '08, \$4.62; '09, \$2.63; '11, \$0.07. Discontinued operations: '06, (4¢); '11, 3¢. '12, (10¢).</p> <p>© 2013, Value Line Publishing LLC. All rights reserved. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.</p>	<p>Next earnings report due late Feb. Quarterly earnings may not sum due to rounding.</p> <p>(B) Dividends paid in March, June, September, and December. • Div. reinvestment available.</p>	<p>(C) In millions.</p> <p>(D) Includes intangibles. In 2011: \$1.195 billion, \$9.80/share.</p>	<table border="1"> <tr> <td>Company's Financial Strength</td> <td>B</td> </tr> <tr> <td>Stock's Price Stability</td> <td>95</td> </tr> <tr> <td>Price Growth Persistence</td> <td>85</td> </tr> <tr> <td>Earnings Predictability</td> <td>20</td> </tr> </table>	Company's Financial Strength	B	Stock's Price Stability	95	Price Growth Persistence	85	Earnings Predictability	20
Company's Financial Strength	B										
Stock's Price Stability	95										
Price Growth Persistence	85										
Earnings Predictability	20										
<p>Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind.</p>			<p>To subscribe call 1-800-833-0046.</p>								

accounting for 20.9% of revenues. Has roughly 7,000 employees. Depreciation rate, 2.5% in '11. BlackRock, Inc., owns 7.4% of the common stock outstanding. Off. & dir. own less than 1% (3/12 Proxy). President & CEO; Jeffrey Sterba. Chairman; George Mackenzie. Address: 1025 Laurel Oak Road, Voorhees, NJ 08043. Telephone: 856-346-8200. Internet: www.amwater.com.

American Water Works probably closed out a successful 2012 campaign in impressive fashion. The water provider posted strong top- and bottom-line growth through the first nine months, as earlier portfolio optimization proved a benefit. Indeed, the company was able to add exposure to flourishing systems, while removing positions in less profitable areas. Perhaps just as important, however, was management's ability to control costs while doing so. We suspect that the company posted 15% share-net growth, on a 10% revenue gain in the fourth quarter.

Earnings growth will probably be far more difficult to come by this year, however. Although we believe that the top line will continue to benefit from favorable regulatory rulings and the improved portfolio mix, it is hard to imagine that the cost base will not rise going forward. Indeed, the company is slated to make a number of infrastructure upgrades to aging systems. Thus, we look for costs to begin to mount, thereby cutting into margins, despite efforts to keep expenses under wraps.

Financing is likely to become a con-

cern again. Aside from the benefits mentioned above, the portfolio optimization effort gave American Water some financial flexibility last year. However, most of that cash probably has been burned through by now, and cash on hand is minimal, so the company will have to seek outside financing in order to fund the aforementioned upgrades. But any debt and/or share offerings will dilute earnings.

This stock is not overly appealing at this time. It is no longer timely, and the capital-intensive nature of the business threatens to stymie earnings growth for the foreseeable future. The balance sheet is highly leveraged and is likely to only get worse as the company is expected to spend some \$900 million per annum to make infrastructure repairs. Operational cash flow will not be sufficient to make the changes, requiring American Water to float additional debt and shares, despite what we believe will be favorable regulatory backing. Overall, although the stock's income component is above average, there are better, more sustainable options to choose from, in our opinion.

Andre J. Costanza *January 18, 2013*

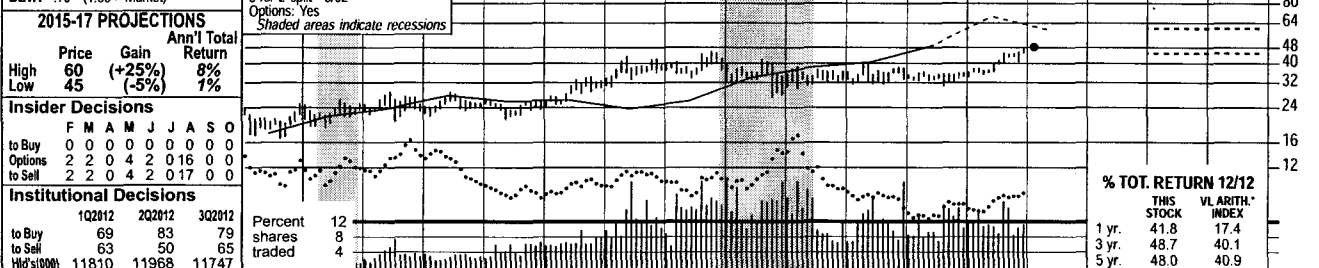
Company's Financial Strength	8
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	20

To subscribe call 1-800-833-0046.

AMER. STATES WATER NYSE-AWR

RECENT PRICE **48.57** P/E RATIO **18.8** (Trailing: 18.3 Median: 22.0) RELATIVE P/E RATIO **1.19** DIV'D YLD **2.9%** VALUE LINE

TIMELINESS 2 Raised 11/23/12	High: 26.4 29.0 29.0 26.8 34.6 43.8 46.1 42.0 38.8 39.6 36.4 48.1	Target Price Range 2015 2016 2017
SAFETY 2 Raised 7/20/12	Low: 19.0 20.3 21.6 20.8 24.3 30.3 33.6 27.0 29.8 31.2 30.5 34.1	128
TECHNICAL 3 Raised 1/4/13	LEGENDS 1.25 x Dividends p sh divided by Interest Rate Relative Price Strength 3-for-2 split Options: Yes Shaded areas indicate recessions	96
BETA .70 (1.00 = Market)		80



Insider Decisions	F M A M J J A S O	Percent shares traded	% TOT. RETURN 12/12
to Buy	0 0 0 0 0 0 0 0 0	12	THIS STOCK 41.8
Options	2 2 0 4 2 0 16 0 0	8	VL ARITH. 17.4
to Sell	2 2 0 4 2 0 17 0 0	4	3 yr. 48.7
			5 yr. 48.0

CAPITAL STRUCTURE as of 9/30/12	209.2	212.7	228.0	236.2	268.6	301.4	318.7	361.0	398.9	419.3	455	470	Revenues (\$mill)	545
Total Debt \$344.4 mill. Due in 5 Yrs \$280.0 mill.	20.3	11.9	16.5	22.5	23.1	28.0	26.8	29.5	41.4	42.0	50.0	55.0	Net Profit (\$mill)	55.0
LT Debt \$344.2 mill. LT Interest \$24.0 mill.	38.9%	43.5%	37.4%	47.0%	40.5%	42.6%	37.8%	38.9%	43.2%	41.7%	42.5%	42.0%	Income Tax Rate	40.0%
(LT interest earned: 5.5x: total interest coverage: 5.2x) (43% of Cap'l)	--	--	--	--	12.2%	8.5%	6.9%	3.2%	5.8%	5.8%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
	52.0%	52.0%	47.7%	50.4%	48.6%	46.9%	46.2%	45.9%	44.3%	45.4%	43.0%	43.0%	Long-Term Debt Ratio	42.0%
Leases, Uncapitalized: Annual rentals \$3.3 mill.	48.0%	48.0%	52.3%	49.6%	51.4%	53.1%	53.8%	54.1%	55.7%	54.6%	57.0%	57.0%	Common Equity Ratio	58.0%
	444.4	442.3	480.4	532.5	551.6	569.4	577.0	665.0	677.4	749.1	760	780	Total Capital (\$mill)	805
Pension Assets-12/11 \$92.9 mill. Oblig. \$146.1 mill.	563.3	602.3	664.2	713.2	750.6	776.4	825.3	866.4	855.0	896.5	935	980	Net Plant (\$mill)	1080
	6.5%	4.6%	5.2%	5.4%	6.0%	6.7%	6.4%	5.9%	7.6%	6.0%	6.0%	6.0%	Return on Total Cap'l	7.0%
Pfd Stock None.	9.5%	5.6%	6.6%	8.5%	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	10.5%	11.0%	Return on Shr. Equity	12.0%
	9.5%	5.6%	6.6%	8.5%	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	10.5%	11.0%	Return on Com Equity	12.0%
Common Stock 19,216,427 shs. as of 11/2/12	3.3%	NMF	1.0%	2.8%	2.7%	3.9%	3.1%	3.2%	5.8%	5.2%	5.0%	5.0%	Retained to Com Eq	5.0%
MARKET CAP: \$925 million (Small Cap)	65%	113%	84%	67%	67%	58%	64%	61%	47%	49%	48%	50%	All Div'ds to Net Prof	57%

CAPITAL STRUCTURE as of 9/30/12	209.2	212.7	228.0	236.2	268.6	301.4	318.7	361.0	398.9	419.3	455	470	Revenues (\$mill)	545
Total Debt \$344.4 mill. Due in 5 Yrs \$280.0 mill.	20.3	11.9	16.5	22.5	23.1	28.0	26.8	29.5	41.4	42.0	50.0	55.0	Net Profit (\$mill)	55.0
LT Debt \$344.2 mill. LT Interest \$24.0 mill.	38.9%	43.5%	37.4%	47.0%	40.5%	42.6%	37.8%	38.9%	43.2%	41.7%	42.5%	42.0%	Income Tax Rate	40.0%
(LT interest earned: 5.5x: total interest coverage: 5.2x)	--	--	--	--	12.2%	8.5%	6.9%	3.2%	5.8%	5.8%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
Leases, Uncapitalized: Annual rentals \$3.3 mill.	52.0%	52.0%	47.7%	50.4%	48.6%	46.9%	46.2%	45.9%	44.3%	45.4%	43.0%	43.0%	Long-Term Debt Ratio	42.0%
Pension Assets-12/11 \$92.9 mill.	48.0%	48.0%	52.3%	49.6%	51.4%	53.1%	53.8%	54.1%	55.7%	54.6%	57.0%	57.0%	Common Equity Ratio	58.0%
Oblig. \$146.1 mill.	444.4	442.3	480.4	532.5	551.6	569.4	577.0	665.0	677.4	749.1	760	780	Total Capital (\$mill)	805
Pfd Stock None.	563.3	602.3	664.2	713.2	750.6	776.4	825.3	866.4	855.0	896.5	935	980	Net Plant (\$mill)	1080
Common Stock 19,216,427 shs.	6.5%	4.6%	5.2%	5.4%	6.0%	6.7%	6.4%	5.9%	7.6%	6.0%	6.0%	6.0%	Return on Total Cap'l	7.0%
as of 11/2/12	9.5%	5.6%	6.6%	8.5%	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	10.5%	11.0%	Return on Shr. Equity	12.0%
MARKET CAP: \$925 million (Small Cap)	9.5%	5.6%	6.6%	8.5%	8.1%	9.3%	8.6%	8.2%	11.0%	10.3%	10.5%	11.0%	Return on Com Equity	12.0%
CURRENT POSITION 2010 2011 9/30/12 (\$MILL)	3.3%	NMF	1.0%	2.8%	2.7%	3.9%	3.1%	3.2%	5.8%	5.2%	5.0%	5.0%	Retained to Com Eq	5.0%
Cash Assets	4.2	1.3	43.1						47%	49%	48%	50%	All Div's to Net Prof	57%
Other	200.8	164.3	144.0											
Current Assets	205.0	165.6	187.1											
Accts Payable	36.2	37.9	52.1											
Debt Due	61.3	.3	.2											
Other	81.3	66.2	56.9											
Current Liab.	178.8	104.4	109.2											
Fix. Chg. Cov.	428%	401%	390%											

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'11
Revenues	5.0%	7.5%	4.5%
"Cash Flow"	5.5%	9.5%	5.5%
Earnings	4.5%	11.5%	5.5%
Dividends	2.0%	2.5%	7.5%
Book Value	5.0%	5.0%	2.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year
Mar.31 Jun.30 Sep.30 Dec.31		
2009	79.6 93.6 101.5 86.3	361.0
2010	88.4 95.5 111.3 103.7	398.9
2011	94.3 109.8 119.9 95.3	419.3
2012	106.6 114.3 133.5 100.6	455
2013	105 120 135 110	470

Cal-endar	EARNINGS PER SHARE ^A	Full Year
Mar.31 Jun.30 Sep.30 Dec.31		
2009	.28 .64 .52 .18	1.62
2010	.45 .47 .62 .68	2.22
2011	.37 .68 .83 .36	2.24
2012	.53 .79 .97 .36	2.65
2013	.50 .75 1.00 .45	2.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^B	Full Year
Mar.31 Jun.30 Sep.30 Dec.31		
2009	.250 .250 .250 .260	1.01
2010	.260 .260 .260 .260	1.04
2011	.260 .280 .280 .280	1.10
2012	.280 .280 .355 .355	1.27
2013		

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Company, it supplies water to more than 250,000 customers in 75 communities in 10 counties. Service areas include the greater metropolitan areas of Los Angeles and Orange Counties. The company also provides electric utility services to nearly 23,250 customers in the city of Big Bear Lake and in areas of San Bernardino County. Sold Chaparral City Water of Arizona (6/11). Has 703 employees. Officers & directors own 2.9% of common stock (4/12 Proxy). Chairman: Lloyd Ross. President & CEO: Robert J. Sprowls, Inc. CA. Addr: 630 East Foothill Boulevard, San Dimas, CA 91773. Tel: 909-394-3600. Internet: www.aswater.com.

American States Water's bottom-line momentum will likely slow a bit in 2013. We believe that share net grew 18% in 2012, largely due to the Contracted Services unit in its American States Utility Services (ASUS) subsidiary. ASUS continues to generate higher-than-expected construction margins on the Fort Bragg military base in North Carolina and on bases in Virginia. This subsidiary provides the most upside, as it takes on projects that are lighter on the regulatory front. The 50-year privatization contract with the U.S. government on Fort Bragg offers a decent amount of business going forward. Though optimism is strong, the reliability of future awards provides a greater concern. We expect difficult comps, and fewer projects will slow growth in this segment. Therefore, this expected softness in Contracted Services, coupled with flat-tish water and electric growth, have tempered our optimism for 2013.

Management's focus on bidding opportunities should bolster longer-term growth. We expect work on military bases will drive a majority of the company's bidding activity. One new venture that should get started in 2013 is the \$18 million Patriot Project. The project includes construction of water and sewer infrastructure on a Fort Bragg addition. As mentioned, new work should be lumpy and provide some uncertainty for longer-term profitability. However, the newly initiated dividend from ASUS to AWR should ease some of investors' concerns.

The balance sheet continues to show improvement. AWR generated \$43 million of free cash flow in the first nine months of 2012. This compares to the \$1 million cash burn experienced for the same time frame in 2011. The company's cash position has strengthened to \$43 million from \$1 million reported at the start of 2012.

The Timeliness rank of this issue is 2 (Above Average). These shares should appeal to dividend-oriented accounts, as the stock offers an above-average yield when compared to the Value Line median and its peers. However, we advise longer-term investors to look elsewhere, due to the below-average capital appreciation potential.

Michael Collins January 18, 2013

CALIFORNIA WATER NYSE-CWT				RECENT PRICE	18.58	P/E RATIO	18.6	(Trailing: 19.8 Median: 21.0)	RELATIVE P/E RATIO	1.18	DIV'D YLD	3.4%	VALUE LINE						
TIMELINESS	3	Raised 8/3/12	High: 14.3	13.4	15.7	19.0	21.1	22.9	22.7	23.3	24.1	19.8	19.4	19.3	Target Price Range	2015	2016	2017	
SAFETY	3	Lowered 7/27/07	Low: 11.4	10.2	11.8	13.0	15.6	16.4	17.1	13.8	16.7	16.9	16.7	16.8					
TECHNICAL	3	Lowered 11/16/12	LEGENDS 1.33 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 6/11 Options: Yes Shaded areas indicate recessions																
BETA	.65	(1.00 = Market)	2015-17 PROJECTIONS Price Gain Ann'l Total High 30 (+60%) 15% Low 20 (+10%) 5%																
Insider Decisions			F M A M J J A S O to Buy 0 1 9 0 2 0 0 0 1 0 Options 0 0 0 0 0 0 0 0 0 0 to Sell 0 1 0 0 0 0 0 0 0 0																
Institutional Decisions			1Q2012 2Q2012 3Q2012 to Buy 60 54 63 to Sell 55 53 46 Hld's(000) 22431 21505 22150																
Percent shares traded			18 12 6																
% TOT. RETURN 12/12			THIS STOCK VL ARITH. INDEX 1 yr. 4.1 17.4 3 yr. 10.3 40.1 5 yr. 16.8 40.9																
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17	
7.24	7.74	7.38	7.98	8.08	8.13	8.67	8.18	8.59	8.72	8.10	8.88	9.90	10.82	11.05	12.00	13.00	13.05	Revenues per sh	14.20
1.25	1.46	1.30	1.37	1.26	1.10	1.32	1.26	1.42	1.52	1.36	1.56	1.86	1.93	1.93	2.07	2.30	2.35	"Cash Flow" per sh	2.65
.75	.92	.73	.77	.66	.47	.63	.61	.73	.74	.67	.75	.95	.98	.91	.86	.97	1.05	Earnings per sh A	1.30
.52	.53	.54	.54	.55	.56	.56	.56	.57	.57	.58	.58	.59	.59	.60	.62	.63	.64	Div'd Decl'd per sh B	.72
1.41	1.30	1.37	1.72	1.23	2.04	2.91	2.19	1.87	2.01	2.14	1.84	2.41	2.66	2.97	2.83	3.00	3.20	Cap'l Spending per sh	3.05
6.11	6.50	6.69	6.71	6.45	6.48	6.56	7.22	7.83	7.90	9.07	9.25	9.72	10.13	10.45	10.76	11.35	11.60	Book Value per sh C	12.75
25.24	25.24	25.24	25.87	30.29	30.36	30.36	33.86	36.73	36.78	41.31	41.33	41.45	41.53	41.67	41.82	42.25	44.00	Common Shs Outst'g D	47.00
11.9	12.6	17.8	17.8	19.6	27.1	19.8	22.1	20.1	24.9	29.2	26.1	19.8	19.7	20.3	21.3	18.8		Avg Ann'l P/E Ratio	19.0
.75	.73	.93	1.01	1.27	1.39	1.08	1.26	1.06	1.33	1.58	1.39	1.19	1.31	1.29	1.34	1.18		Relative P/E Ratio	1.25
5.8%	4.6%	4.2%	4.0%	4.3%	4.4%	4.5%	4.2%	3.9%	3.1%	2.9%	3.0%	3.1%	3.1%	3.2%	3.4%	3.5%		Avg Ann'l Div'd Yield	2.9%
CAPITAL STRUCTURE as of 9/30/12				263.2 277.1 315.6 320.7 334.7 367.1 410.3 449.4 460.4 501.8 550 575														Revenues (\$mill) E	675
Total Debt \$546.9 mill. Due in 5 Yrs \$58.1 mill.				19.1 19.4 26.0 27.2 25.6 31.2 39.8 40.6 37.7 36.1 41.0 45.0														Net Profit (\$mill)	62.0
LT Debt \$479.5 mill. LT Interest \$32.0 mill.				39.7% 39.9% 39.6% 42.4% 37.4% 39.9% 37.7% 40.3% 39.5% 40.5% 41.0% 40.5%														Income Tax Rate	40.0%
(LT interest earned: 6.7%; total int. cov.: 6.0x)				10.3% 3.2% 3.3% 10.6% 8.3% 8.6% 7.6% 4.2% 5.0% 5.0%														AFUDC % to Net Profit	10.0%
(50% of Cap'l)				55.3% 50.2% 48.6% 48.3% 43.5% 42.9% 41.6% 47.1% 52.4% 51.7% 51.0% 51.0%														Long-Term Debt Ratio	50.0%
Pension Assets-12/11 \$155.7 mill.				44.0% 49.1% 50.8% 51.1% 55.9% 56.6% 58.4% 52.9% 47.6% 48.3% 49.0% 49.0%														Common Equity Ratio	50.0%
Oblig. \$346.3 mill.				453.1 498.4 565.9 568.1 670.1 674.9 690.4 794.9 914.7 931.5 980 1040														Total Capital (\$mill)	1200
Pfd Stock None				697.0 759.5 800.3 862.7 941.5 1010.2 1112.4 1198.1 1294.3 1381.1 1455 1525														Net Plant (\$mill)	1725
Common Stock 41,905,495 shs.				5.9% 5.6% 6.1% 6.3% 5.2% 5.9% 7.1% 6.5% 5.5% 5.5% 6.0% 6.0%														Return on Total Cap'l	7.0%
as of 10/21/12				9.4% 7.8% 8.9% 9.3% 6.8% 8.1% 9.9% 9.6% 8.6% 8.0% 8.5% 9.0%														Return on Shr. Equity	10.5%
MARKET CAP: \$775 million (Small Cap)				9.5% 7.9% 9.0% 9.3% 6.8% 8.1% 9.9% 9.6% 8.6% 8.0% 8.5% 9.0%														Return on Com Equity	10.5%
CURRENT POSITION (MILL.)				1.0% .7% 2.1% 2.1% 1.0% 1.8% 3.8% 3.8% 3.0% 2.3% 3.0% 3.5%														Retained to Com Eq	4.5%
2010 2011 9/30/12				90% 91% 77% 78% 86% 77% 61% 60%														All Div'ds to Net Prof	55%
CASH ASSETS				2010 2011 9/30/12														BUSINESS: California Water Service Group provides regulated and nonregulated water service to roughly 471,900 customers in 83 communities in California, Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp, West Hawaii Utilities (9/08). Revenue breakdown, '11: residential, 73%; business, 18%; public authorities, 5%; industrial, 4%. '11 reported depreciation rate: 2.7%. Has roughly 1,132 employees. President, Chairman, and CEO: Peter C. Nelson (4/11 Proxy). Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwatergroup.com.	
Cash Assets 42.3 27.2 17.0				the outlays we envision over the next few years. The company will have to continue to look to outsiders to provide financing, but the necessary stock and debt offerings will also dilute gains. As a result, we look for minimal annual share-net growth this year and henceforth.															
Other 83.9 86.7 133.1				This issue is not for growth-minded investors. It is likely to provide below average annual price returns out to mid-decade, due to the increasing costs of doing business that face the industry.															
Current Assets 126.2 113.9 150.1				We warn income-oriented parties to be cautious here, too. Although CWT's yield is tops in the Water Utilities space, the company also has the highest payout ratio in the group. This is a concern given the capital restrictions we anticipate in the years ahead and the company's weak balance sheet. We would not be surprised if the current yield slides a bit, especially if the industry landscape takes a turn for the worse and management is forced to take action. Either way, investors with a bent for income have better, more sustainable, options to choose from elsewhere.															
Accts Payable 39.5 48.9 58.8				Andre J. Costanza January 18, 2013															
Debt Due 26.1 53.7 67.4																			
Other 41.7 49.3 64.0																			
Current Liab. 107.3 151.9 190.2																			
Fix. Chg. Cov. 304% 278% 285%																			
ANNUAL RATES																			
Past 10 Yrs. 5 Yrs. Est'd '09-'11 to '15-'17																			
Revenues 3.5% 6.0% 4.0%																			
"Cash Flow" 4.5% 6.5% 5.0%																			
Earnings 4.0% 5.0% 6.0%																			
Dividends 1.0% 1.0% 3.0%																			
Book Value 5.0% 5.0% 3.5%																			
QUARTERLY REVENUES (\$ mill.)																			
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																			
2009 86.6 116.7 139.2 106.9 449.4																			
2010 90.3 118.3 146.3 105.5 460.4																			
2011 98.1 131.4 169.3 103.0 501.8																			
2012 116.7 143.6 178.1 111.6 550																			
2013 120 150 187 118 575																			
EARNINGS PER SHARE A																			
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																			
2009 .06 .29 .47 .16 .98																			
2010 .05 .25 .49 .12 .91																			
2011 .03 .29 .50 .04 .86																			
2012 .03 .31 .56 .07 .97																			
2013 .04 .33 .58 .10 1.05																			
QUARTERLY DIVIDENDS PAID B																			
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year																			
2009 .148 .148 .148 .148 .59																			
2010 .149 .149 .149 .149 .60																			
2011 .154 .154 .154 .154 .62																			
2012 .1575 .1575 .1575 .1575 .63																			
2013																			

(A) Basic EPS. Excl. nonrecurring gain (loss): '00, (4¢); '01, 2¢; '02, 4¢; '11, 4¢. Next earnings report due mid-February.

(B) Dividends historically paid in late Feb., May, Aug., and Nov. Div'd reinvestment plan available.

(C) Incl. deferred charges. In '11: \$2.2 mill., \$0.05/sh.

(D) In millions, adjusted for splits.

(E) Excludes non-reg. rev.

Company's Financial Strength B+
 Stock's Price Stability 100
 Price Growth Persistence 55
 Earnings Predictability 90

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-833-0046.

BUSINESS: California Water Service Group provides regulated and nonregulated water service to roughly 471,900 customers in 83 communities in California, Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired Rio Grande Corp; West Hawaii Utilities (9/08). Revenue

We suspect that earnings power is drying up at California Water Service Group. The water utility managed to post better-than-expected growth in the September period, thanks to decent top-line growth and management's ability to keep costs in check. However, it is highly unlikely that operating costs are not already on the rise. Most of the company's water-systems and pipelines are old and in need of significant repair, or complete overhauls. Thus, infrastructure repair and maintenance costs are expected to be problematic, pinching margins for the foreseeable future. Although fourth-quarter results may look favorable at first, it is important to remember that the prior year's figures were historically weak.

The company's finances are a big concern going forward. Although regulatory backing has been much improved in recent years, and is expected to remain business friendly, California Water will need to shoulder a fair share of the load. That said, it is not financially capable of doing so on its own. The cash coffers are relatively bare, and cash flow generation is not likely to be sufficient enough to cover

breakdown, '11: residential, 73%; business, 18%; public authorities, 5%; industrial, 4%. '11 reported depreciation rate: 2.7%. Has roughly 1,132 employees. President, Chairman, and CEO: Peter C. Nelson (4/11 Proxy). Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwatergroup.com.

the outlays we envision over the next few years. The company will have to continue to look to outsiders to provide financing, but the necessary stock and debt offerings will also dilute gains. As a result, we look for minimal annual share-net growth this year and henceforth.

This issue is not for growth-minded investors. It is likely to provide below average annual price returns out to mid-decade, due to the increasing costs of doing business that face the industry.

We warn income-oriented parties to be cautious here, too. Although CWT's yield is tops in the Water Utilities space, the company also has the highest payout ratio in the group. This is a concern given the capital restrictions we anticipate in the years ahead and the company's weak balance sheet. We would not be surprised if the current yield slides a bit, especially if the industry landscape takes a turn for the worse and management is forced to take action. Either way, investors with a bent for income have better, more sustainable, options to choose from elsewhere.

Andre J. Costanza

January 18, 2013

RECENT PRICE	29.87	P/E RATIO	19.8 (Trailing: 20.3 Median: 23.0)	RELATIVE P/E RATIO	1.25	DIV'D YLD	3.3%	VALUE LINE	
--------------	-------	-----------	---------------------------------------	--------------------	------	-----------	------	------------	--

TIMELINESS	3	New 1/18/13	High:	32.2	31.1	30.4	29.8	28.2	27.7	25.6	29.0	26.4	27.9	29.1	32.8	Target Price Range 2015 2016 2017
			Low:	19.5	20.3	24.0	23.8	21.9	20.3	22.4	19.3	17.3	20.0	23.3	26.2	

SAFETY 3 New 1/18/13
TECHNICAL 2 New 1/18/13
BETA 75 (100 = Market)

LEGENDS
— 1.30 x Dividends p sh
divided by Interest Rate
Relative Price Strength
349.2 roll 00

2015-17 PROJECTIONS

Options: No Shaded areas indicate recessions

Year	Value
2015	38
2016	39
2017	40

	Price	Gain	Return
High	40	(+35%)	10%
Low	30	(-33%)	0%

Insider Decisions

	P	N	A	M	J	J	A	S	O	
to Buy	0	0	0	0	0	0	0	0	0	10
Options	0	1	0	0	0	0	3	0	0	7.5

To Sell	0	1	0	0	0	3	0	0
Institutional Decisions								

% TOT. RETURN 12/12
THIS VL ARITH.

[illegible]

HLS's (000)				3053	3095	3102	Traded												5 yr.												52.0	40.9	
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC												15-17			

5.69	5.67	5.58	5.87	5.70	5.93	5.77	5.91	6.04	5.81	5.68	7.05	7.24	6.93	7.65	7.93	8.10	8.35	Revenues per sh	9.60
146	151	159	165	173	178	178	189	191	162	152	190	195	193	204	211	230	245	"Cash Flow" per sh	310

1.97	1.00	1.02	1.03	1.09	1.13	1.12	1.15	1.16	.98	.81	1.05	1.11	1.19	1.13	1.13	1.55	1.45	Earnings per sh A	1.75
76	77	78	79	79	80	81	83	84	85	86	87	88	90	92	94	96	98	Div'd per sh B=	1.10

1.62	1.99	1.12	1.42	1.43	1.86	1.98	1.49	1.58	1.96	1.96	2.24	2.44	3.28	3.02	2.61	2.40	2.50	Cap'l Spending per sh	2.50
8.03	8.96	8.53	8.61	8.02	9.95	10.06	10.46	10.04	11.52	11.60	11.05	12.32	12.67	12.05	12.51	12.85	11.40	Book Value per sh	17.50

6.00	6.20	6.32	6.61	6.92	9.20	10.00	10.40	10.94	11.32	11.00	11.50	12.20	12.91	13.00	13.51	12.80	14.10	Book value per sh	17.50
6.78	6.79	6.80	7.26	7.28	7.65	7.94	7.97	8.04	8.17	8.27	8.38	8.46	8.57	8.68	8.76	10.50	11.00	Common Shs Outst'g	12.00

12.5	12.9	13.3	18.2	18.2	21.5	24.3	23.5	22.9	28.6	29.0	23.0	22.2	18.4	20.7	23.0	19.7	Avg Ann'l P/E Ratio	20.0
7.8	.74	.81	1.04	1.18	1.10	1.33	1.34	1.21	1.52	1.57	1.22	1.34	1.23	1.32	1.44	1.20	Relative P/E Ratio	1.35

6.2%	6.0%	4.9%	4.2%	4.0%	3.3%	3.0%	3.0%	3.1%	3.4%	3.6%	3.6%	3.6%	4.1%	3.9%	3.6%	3.2%	Avg Ann'l Div'd Yield	3.1%	
CAPITAL STRUCTURE as of 9/30/12						45.8	47.1	48.5	47.5	46.9	59.0	61.3	59.4	66.4	69.4	85.0	92.0	Revenues (\$mill)	115

Total Debt \$188.5 mill.	Due in 5 Yrs Nil mill.	8.8	9.2	9.4	7.2	6.7	8.8	9.4	10.2	9.8	9.9	15.0	16.0	Net Profit (\$mill)	22.0
LT Debt \$187.3 mill.	LT Interest \$3.0 mill.	33.8%	17.9%	22.9%	--	23.5%	32.4%	27.2%	19.5%	35.2%	41.3%	35.0%	35.0%	Income Tax Rate	35.0%

(Total interest coverage: 17.8x)	--	--	--	--	--	--	--	2.6%	1.8%	1.2%	1.3%	1.5%	AFUDC % to Net Profit	1.5%
(60% of Cap'l)	44.5%	43.5%	42.8%	44.9%	44.4%	47.8%	46.9%	50.6%	49.5%	53.2%	58.0%	58.0%	Long-Term Debt Ratio	55.0%

Leases, Uncapitalized	Annual rentals \$2.2 mil.	71.0%	70.0%	72.0%	73.0%	71.7%	71.0%	70.0%	68.0%	68.0%	68.2%	68.0%	68.0%	Long-Term Debt Ratio	58.9%
Pension Assets-12/11	\$36.8 mil.	54.9%	55.9%	56.7%	54.6%	55.1%	51.8%	52.7%	49.1%	50.2%	46.5%	41.5%	41.5%	Common Equity Ratio	44.5%
Objct.	\$49.1 mil.	145.6	148.0	155.1	172.2	174.1	103.2	106.5	204.2	205.6	264.2	235	275	Total Capital (\$mil.)	475

Pfd Stock \$772 mill.	Pfd Divd \$10 mill.	198.0	198.9	199.1	172.3	174.1	193.2	190.9	221.3	229.0	204.2	339	379	Total Capital (\$mm)	479
		232.7	238.9	246.1	247.7	268.1	284.3	302.3	325.2	344.2	362.4	440	475	Net Plant (\$mill)	525
		7.0%	7.5%	7.0%	5.0%	4.0%	5.5%	5.0%	5.5%	5.0%	4.0%	3.5%	4.5%	Return on Total Capital	4.5%

	1.4%	1.5%	1.0%	5.0%	4.9%	5.5%	5.9%	5.5%	5.4%	4.9%	5.5%	4.5%	Return on Total Cap'l	4.5%
Common Stock 8,848,848 shs.	10.9%	10.9%	10.6%	7.5%	6.9%	8.7%	9.0%	9.3%	8.6%	8.3%	11.0%	10.5%	Return on Shr. Equity	10.5%
	10.0%	11.0%	10.0%	7.0%	7.0%	8.7%	9.1%	9.1%	8.7%	8.0%	11.0%	10.5%	Return on Total Cap'l	10.5%

MARKET CAP: \$275 million (Small Cap)	10.9%	11.0%	10.6%	7.6%	7.0%	8.1%	9.1%	9.4%	8.7%	8.3%	11.0%	10.5%	Return on Com Equity	10.5%
CURRENT POSITION: \$145	3.1%	3.2%	3.1%	.3%	NMF	1.6%	1.9%	2.3%	1.6%	1.4%	3.5%	3.5%	Retained to Com Eq	4.0%

CURRENT POSITION (\$MILL.)	2010	2011	9/30/12	72%	71%	71%	95%	105%	82%	79%	76%	81%	83%	62%	68%	All Divs ds to Net Prof	63%
Cash Assets	1.0	1.0	4.2	BUSINESS: Connecticut Water Service, Inc. is a non-operating The Maine Water Company, Inc.: CT. At 12/31/11, it had about 200													

Accounts Receivable	10.1	14.9	12.8	holding company, whose income is derived from earnings of its employees. Chrmn./Pres./CEO: Eric W. Thornburg. Officers/di-
Other	9.3	3.0	14.7	own 2.7% of the common stock; BlackRock, 7.3%; Vanguard
Current Assets	28.2	18.9	27.5	

Current Assets	20.4	18.9	31.7	largest subsidiary, Connecticut Water, accounted for 90% of the	Group, 5.4%. Judith A. Peterson and Kenneth Peterson own 13.5%
Accts Payable	6.6	7.2	7.0	holding company's net income in 2011, and provides water services	of the preferred stock (3/12 proxy). Addr.: 93 West Main Street,
Debt Due	--	--	12		

Other	28.5	23.2	27.6	to 300,000 people in 55 towns throughout Connecticut. Also owns Clinton, CT 06413. Tel.: (860) 669-8636. Web: www.ctwater.com .
Current Liab.	35.1	30.4	35.8	We are initiating coverage on Con- cash raised will reduce debt obligations

Fix. Chg. Cov.	400%	419%	393%
ANNUAL RATES	Past	Past	Est'd '09-'11

of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Revenues	2.5%	5.0%	4.0%
"Cash Flow"	1.5%	4.0%	7.5%

Cash flow	1.3%	4.0%	1.3%
Earnings	0.5%	4.0%	7.5%
Dividends	1.5%	1.5%	3.0%

Book Value	4.0%	3.0%	5.0%
Cal-	QUARTERLY REVENUES (\$ mil.)		Full

endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2009	13.4	15.2	16.6	14.2	59.4

2010	13.8	15.9	21.0	15.7	66.4	in 2012, it purchased Aqua Maine, Inc. (renamed The Maine Water Company), which added 48,000 customers in 2010.	ton line will reach \$1.75 by that period.
2011	16.0	17.4	20.6	15.4	69.4		The stock is not particularly appealing at this time. As mentioned, the

2012	20.2	21.3	24.5	19.0	85.0
2013	21.0	23.0	26.0	22.0	92.0

Calendar	EARNINGS PER SHARE ^A				Full Year
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	
1990	1.00	1.00	1.00	1.00	4.00
1989	1.00	1.00	1.00	1.00	4.00
1988	1.00	1.00	1.00	1.00	4.00
1987	1.00	1.00	1.00	1.00	4.00
1986	1.00	1.00	1.00	1.00	4.00
1985	1.00	1.00	1.00	1.00	4.00
1984	1.00	1.00	1.00	1.00	4.00
1983	1.00	1.00	1.00	1.00	4.00
1982	1.00	1.00	1.00	1.00	4.00
1981	1.00	1.00	1.00	1.00	4.00
1980	1.00	1.00	1.00	1.00	4.00
1979	1.00	1.00	1.00	1.00	4.00
1978	1.00	1.00	1.00	1.00	4.00
1977	1.00	1.00	1.00	1.00	4.00
1976	1.00	1.00	1.00	1.00	4.00
1975	1.00	1.00	1.00	1.00	4.00
1974	1.00	1.00	1.00	1.00	4.00
1973	1.00	1.00	1.00	1.00	4.00
1972	1.00	1.00	1.00	1.00	4.00
1971	1.00	1.00	1.00	1.00	4.00
1970	1.00	1.00	1.00	1.00	4.00
1969	1.00	1.00	1.00	1.00	4.00
1968	1.00	1.00	1.00	1.00	4.00
1967	1.00	1.00	1.00	1.00	4.00
1966	1.00	1.00	1.00	1.00	4.00
1965	1.00	1.00	1.00	1.00	4.00
1964	1.00	1.00	1.00	1.00	4.00
1963	1.00	1.00	1.00	1.00	4.00
1962	1.00	1.00	1.00	1.00	4.00
1961	1.00	1.00	1.00	1.00	4.00
1960	1.00	1.00	1.00	1.00	4.00
1959	1.00	1.00	1.00	1.00	4.00
1958	1.00	1.00	1.00	1.00	4.00
1957	1.00	1.00	1.00	1.00	4.00
1956	1.00	1.00	1.00	1.00	4.00
1955	1.00	1.00	1.00	1.00	4.00
1954	1.00	1.00	1.00	1.00	4.00
1953	1.00	1.00	1.00	1.00	4.00
1952	1.00	1.00	1.00	1.00	4.00
1951	1.00	1.00	1.00	1.00	4.00
1950	1.00	1.00	1.00	1.00	4.00
1949	1.00	1.00	1.00	1.00	4.00
1948	1.00	1.00	1.00	1.00	4.00
1947	1.00	1.00	1.00	1.00	4.00
1946	1.00	1.00	1.00	1.00	4.00
1945	1.00	1.00	1.00	1.00	4.00
1944	1.00	1.00	1.00	1.00	4.00
1943	1.00	1.00	1.00	1.00	4.00
1942	1.00	1.00	1.00	1.00	4.00
1941	1.00	1.00	1.00	1.00	4.00
1940	1.00	1.00	1.00	1.00	4.00
1939	1.00	1.00	1.00	1.00	4.00
1938	1.00	1.00	1.00	1.00	4.00
1937	1.00	1.00	1.00	1.00	4.00
1936	1.00	1.00	1.00	1.00	4.00
1935	1.00	1.00	1.00	1.00	4.00
1934	1.00	1.00	1.00	1.00	4.00
1933	1.00	1.00	1.00	1.00	4.00
1932	1.00	1.00	1.00	1.00	4.00
1931	1.00	1.00	1.00	1.00	4.00

2009	.13	.27	.67	.12	1.19
2010	.12	.27	.54	.20	1.13

2011	26	.37	.39	1.1	1.13	necticut's portfolio and contribute recent price now discounts much of the
2012	22	.47	.67	.19	1.55	meaningfully to revenues and earnings. good news we project to the 2015-2017 pe-

2013	.25	.40	.57	.23	1.45	Furthermore, these deals expanded the company's operations to a new state,	riod. Furthermore, from an income perspective, we think that dividend seekers
Q4	QUARTERLY DIVIDENDS PAID BY						

Calendar	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2000	222	222	220	220	884

2009	.222	.222	.226	.226	.90	Connecticut recently issued more growth, as the bulk of cash flow will prob-	
2010	.228	.228	.233	.233	.922		ably be allocated for acquisitions, as well
2011	.233	.233	.238	.238	.947		

shares of common stock at an average price of \$29.25 per share. Although the

as for upgrading existing infrastructure.
Ian Gendler
January 18, 2013

(A) Diluted earnings. Next earnings report due mid-March.	vestment plan available. (C) In millions, adjusted for split.	Company's Financial Strength Stock's Price Stability	B+ 90
---	--	---	----------

(B) Dividends historically paid in mid-March, June, September, and December. ■ Div'd rein-	Price Growth Persistence	35
	Earnings Predictability	85

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication service or product without the prior written permission of Value Line Publishing LLC. **To subscribe call 1-800-833-0046.**

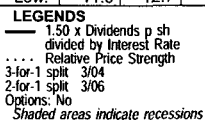
may be represented, shall state in substance in any printed document in such form as shall be prescribed or authorized any product or electronic publication, service or product.

VALUE LINE	
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000
11	1100
12	1200
13	1300
14	1400
15	1500
16	1600
17	1700
18	1800
19	1900
20	2000
21	2100
22	2200
23	2300
24	2400
25	2500
26	2600
27	2700
28	2800
29	2900
30	3000
31	3100
32	3200
33	3300
34	3400
35	3500
36	3600
37	3700
38	3800
39	3900
40	4000
41	4100
42	4200
43	4300
44	4400
45	4500
46	4600
47	4700
48	4800
49	4900
50	5000
51	5100
52	5200
53	5300
54	5400
55	5500
56	5600
57	5700
58	5800
59	5900
60	6000
61	6100
62	6200
63	6300
64	6400
65	6500
66	6600
67	6700
68	6800
69	6900
70	7000
71	7100
72	7200
73	7300
74	7400
75	7500
76	7600
77	7700
78	7800
79	7900
80	8000
81	8100
82	8200
83	8300
84	8400
85	8500
86	8600
87	8700
88	8800
89	8900
90	9000
91	9100
92	9200
93	9300
94	9400
95	9500
96	9600
97	9700
98	9800
99	9900
100	10000

<p>(A) Diluted earnings. Next earnings report due early March.</p> <p>(B) Dividends historically paid in mid-Feb., May, Aug., and November. ■ Div'd reinvestment</p>		<p>plan available.</p> <p>(C) In millions, adjusted for splits.</p> <p>(D) Intangible assets in 2011: \$8.2 million, \$0.55 a share.</p>		<p>Company's Financial Strength B+</p> <p>Stock's Price Stability 95</p> <p>Price Growth Persistence 35</p> <p>Earnings Predictability 85</p>	
<p>© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part</p>					
				<p>To subscribe call 1-800-833-0046.</p>	

RECENT PRICE	25.97	P/E RATIO	22.8 (Trailing: 21.3 Median: 23.0)	RELATIVE P/E RATIO	1.44	DIV'D YLD	2.7%	VALUE LINE
-----------------	-------	--------------	---------------------------------------	-----------------------	------	--------------	------	---------------

TIMELINESS		2	High: 17.8 15.1 15.0 19.6 27.8 45.3 43.0 35.1 30.4 28.2 26.8 26.9													Target Price Range		
SAFETY		3	Low: 11.6 12.7 12.6 14.6 16.1 21.2 27.7 20.0 18.2 21.6 20.9 22.6													2015	2016	2017
TECHNICAL		3	LEGENDS															
			1.50 x Dividends p sh															
			divided by Interest Rate															
		 Relative Price Strength															
			3-for-1 split 3/04															
BETA .85 (100 = Market)																		
																		80
																		60



2015-17 PROJECTIONS

2-for-1 split 3/06
Options: No
Shaded areas indicate recessions

	Price	Gain	Ann'l Total Return
High	45	(+75%)	17%
Low	30	(+15%)	6%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	1	0	1	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	34	34	31
to Sell	22	31	31
Hold's (MM)	9012	8955	8844

Percent shares traded

% TOT. RETURN 12/12

	THIS STOCK	VL ARITH. INDEX
1 yr.	15.9	17.4
3 yr.	28.6	40.1
5 yr.	-11.8	40.9

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
5.39	5.79	5.58	6.40	6.74	7.45	7.97	8.20	9.14	9.86	10.35	11.25	12.12	11.68	11.62	12.86	14.15	13.75	Revenues per sh	15.00
1.43	1.27	1.26	1.43	1.23	1.49	1.55	1.75	1.89	2.21	2.38	2.30	2.44	2.21	2.38	2.80	2.85	2.95	Cash Flow ^a per sh	3.20
.96	.80	.76	.87	.58	.77	.78	.91	.87	1.12	1.19	1.04	1.08	.81	.84	1.11	1.05	1.20	Earnings per sh ^A	1.45
.37	.38	.39	.40	.41	.43	.46	.49	.51	.53	.57	.61	.65	.66	.68	.69	.71	.73	Div ^d Decl ^d per sh ^B	.80
1.06	1.27	1.81	1.77	1.89	2.63	2.06	3.41	2.31	2.83	3.87	6.62	3.79	3.17	5.65	3.75	4.80	4.75	Cap ^l Spending per sh	4.10
6.31	7.02	7.53	7.88	7.90	8.17	8.40	9.11	10.11	10.72	12.48	12.90	13.99	13.66	13.75	14.20	15.45	16.25	Book Value per sh	17.95
19.02	19.02	19.01	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.28	18.36	18.18	18.50	18.55	18.59	18.75	20.00	Common Shs Outst ^g c	22.00
6.8	11.2	13.1	15.5	33.1	18.5	17.3	15.4	19.6	19.7	23.5	33.4	26.2	28.7	29.1	21.2	22.9		Avg Ann ^l P/E Ratio	25.0
4.3	.65	.68	.88	2.15	.95	.94	.88	1.04	1.05	1.27	1.77	1.58	1.91	1.85	1.34	1.44		Relative P/E Ratio	1.65
5.7%	4.3%	3.9%	3.0%	2.1%	3.0%	3.4%	3.5%	3.0%	2.4%	2.0%	1.7%	2.3%	2.8%	2.8%	2.9%	3.0%		Avg Ann ^l Div ^d Yield	2.1%

CAPITAL STRUCTURE as of 9/30/12	145.7	149.7	166.9	180.1	189.2	206.6	220.3	216.1	215.6	239.0	265	275	Revenues (\$mill)	330
Total Debt \$341.2 mill. Due in 5 Yrs \$5.2 mill.	14.2	16.7	16.0	20.7	22.2	19.3	20.2	15.2	15.8	20.9	20.5	24.0	Net Profit (\$mill)	31.0
LT Debt \$335.8 mill. LT Interest \$18.7 mill.	40.4%	36.2%	42.1%	41.6%	40.8%	39.4%	39.5%	40.4%	38.8%	41.1%	40.5%	40.0%	Income Tax Rate	40.0%
(Total interest coverage: 4.6x) (55% of Cap'l)	4.2%	1.6%	2.1%	1.6%	2.1%	2.7%	2.3%	2.0%	2.0%	3.0%	5.0%	5.0%	AFUDC % to Net Profit	5.0%
Leases, Uncapitalized: Annual rentals \$4.5 mill.	41.7%	45.6%	43.7%	42.6%	41.8%	47.7%	46.0%	49.4%	53.7%	56.6%	55.5%	53.5%	Long-Term Debt Ratio	52.0%
	58.3%	54.4%	56.3%	57.4%	58.2%	52.3%	54.0%	50.6%	46.3%	43.4%	44.5%	46.5%	Common Equity Ratio	48.0%
Pension Assets-12/11 \$62.8 mill.	263.5	306.0	328.3	341.2	391.8	453.2	470.9	499.6	550.7	607.8	650	700	Total Capital (\$mill)	820
Oblig. \$123.9 mill.	390.8	428.5	456.8	484.8	541.7	645.5	684.2	718.5	785.5	756.2	815	875	Net Plant (\$mill)	1050
Pfd Stock None.	6.9%	6.9%	6.5%	7.6%	7.0%	5.7%	5.8%	4.4%	4.3%	5.0%	4.5%	5.0%	Return on Total Cap'l	5.0%
Common Stock 18,653,633 shs.	9.3%	10.0%	8.7%	10.6%	9.7%	8.2%	8.0%	6.0%	6.2%	7.9%	7.0%	7.5%	Return on Shr. Equity	7.0%
as of 10/19/12	9.3%	10.0%	8.7%	10.6%	9.7%	8.2%	8.0%	6.0%	6.2%	7.9%	7.0%	7.5%	Return on Com Equity	7.0%
MARKET CAP: \$475 million (Small Cap)	3.8%	4.7%	3.6%	5.6%	5.2%	3.5%	3.3%	1.2%	1.2%	3.1%	2.5%	3.0%	Retained to Cor Eq	3.5%
CURRENT POSITION 2010 2011 9/30/12	59%	53%	58%	47%	46%	57%	59%	80%	80%	61%	64%	61%	All Div'ds to Net Prof	57%

(\$MILL.)			
Cash Assets	1.7	26.7	6.7
Other	36.3	42.2	55.4
Current Assets	38.0	68.9	62.1
Accts Payable	5.5	7.4	17.6
Debt Due	5.1	.8	5.4
Other	18.6	20.1	27.9
Current Liab.	29.2	28.3	50.9
Fix. Chg. Cov.	262%	276%	250%
ANNUAL RATES	Past	Past	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Revenues	6.0%	4.5%	3.5%
"Cash Flow"	6.0%	2.5%	4.5%
Earnings	2.0%	-3.0%	8.0%
Dividends	5.0%	5.0%	3.0%
Book Value	5.5%	4.5%	4.5%

Cal- endar	QUARTERLY REVENUES (\$ mill.)					Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31		
2009	40.0	58.2	69.3	48.6		216.1
2010	40.4	54.1	70.3	50.8		215.6
2011	43.7	59.0	73.9	62.4		239.0
2012	51.2	65.6	82.4	65.8		265
2013	54.0	69.0	84.0	68.0		275

Cal- endar	EARNINGS PER SHARE ^A					Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31		
2009	.01	.23	.43	.14		.81
2010	.05	.24	.44	.11		.84
2011	.03	.29	.44	.35		1.11
2012	.06	.28	.53	.18		1.05
2013	.10	.33	.55	.22		1.20

Cal- endar	QUARTERLY DIVIDENDS PAID ^B					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31		
2009	.165	.165	.165	.165		.66
2010	.17	.17	.17	.17		.68
2011	.173	.173	.173	.173		.69
2012	.1775	.1775	.1775	.1775		.71
2013						

<p>(A) Diluted earnings. Excludes nonrecurring losses: '03, \$1.97; '04, \$3.78; '05, \$1.09; '06, \$16.36; '08, \$1.22; '10, 46¢. Next earnings report due late February. Quarterly egs. may not add due to rounding.</p> <p>(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.</p>	<p>(C) In millions, adjusted for stock splits.</p>	<p>Company's Financial Strength B+</p> <p>Stock's Price Stability 80</p> <p>Price Growth Persistence 60</p> <p>Earnings Predictability 80</p>
<p>© 2013 Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.</p>		
<p>To subscribe call 1-800-833-0046.</p>		

RECENT PRICE	26.01	P/E RATIO	24.5 (Trailing: 23.4 Median: 25.0)	RELATIVE P/E RATIO	1.55	DIV'D YLD	2.7%	VALUE LINE
--------------	-------	-----------	---------------------------------------	--------------------	------	-----------	------	------------

TIMELINESS	2	Raised 10/5/12	High:	14.8	15.0	16.8	18.5	29.2	29.8	26.6	22.0	21.5	23.0	23.8	26.9			Target Price Range 2015 2016 2017
			Low:	9.4	9.6	11.8	14.2	17.5	20.1	18.9	12.2	15.4	16.5	19.3	21.1			

SAFETY 2 Raised 4/20/12
TECHNICAL 3 Lowered 11/16/12
BETA .60 (1.00 = Market)

LEGENDS

- 1.60 x Dividends p sh divided by Interest Rate
- Relative Price Strength
- 5-for-4 split 12/00

64
48

4-for-3

	Price	Gain	Ann'l Total
High	35	(+35%)	10%
Low	25	(-5%)	2%

2015-17 PROJECTIONS

Ann'l Total

Options: Yes

Shaded areas indicate recessions

5-for-4 split 12/01
5-for-4 split 12/03
4-for-3 split 12/05

Insider Decisions										12
	F	M	A	M	J	J	A	S	O	
to Buy	0	0	0	0	0	0	0	0	0	8
Options	0	0	1	2	0	1	0	0	0	6
	0	0	1	2	1	0	0	0	0	

Institutional Decisions				THIS STOCK VS. ARITH. INDEX	
	10/20/12	2/20/12	3/20/12		% TOT. RETURN 12/12
to Buy	114	112	117	Percent	15
to Sell	104	108	108	shares	10
				traded	5

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----------------------	-------

1.86	2.02	2.09	2.41	2.46	2.70	2.85	2.97	3.48	3.85	4.03	4.52	4.63	4.91	5.26	5.13	5.55	5.80	Revenues per sh	6.60
.50	.56	.61	.72	.76	.86	.94	.96	1.09	1.21	1.26	1.37	1.42	1.61	1.78	1.84	1.90	2.05	"Cash Flow" per sh	2.30
.30	.34	.40	.42	.47	.51	.54	.57	.64	.71	.70	.71	.73	.77	.90	1.03	1.05	1.15	Earnings per sh ^A	1.35
.23	.24	.26	.27	.28	.30	.32	.35	.37	.40	.44	.48	.51	.55	.59	.62	.67	.71	Div'd Decl'd per sh ^B	.80
.48	.58	.82	.90	1.16	1.09	1.20	1.32	1.54	1.84	2.05	1.79	1.98	2.08	2.37	2.38	2.40	2.65	Cap'l Spending per sh	2.70
2.69	2.84	3.21	3.42	3.85	4.15	4.36	5.34	5.89	6.30	6.96	7.32	7.82	8.12	8.51	9.01	9.25	9.75	Book Value per sh	10.85
65.75	67.47	72.20	106.80	111.82	113.97	113.19	123.45	127.18	128.97	132.33	133.40	135.37	136.49	137.97	138.87	140.90	141.90	Common Shs Outst'g ^C	143.90
15.6	17.8	22.5	21.2	18.2	23.6	23.6	24.5	25.1	31.8	34.7	32.0	24.9	23.1	21.1	21.1	22.8		Avg Ann'l P/E Ratio	21.0
.98	1.03	1.17	1.21	1.18	1.21	1.29	1.40	1.33	1.69	1.87	1.70	1.50	1.54	1.34	1.36	1.43		Relative P/E Ratio	1.40
4.9%	3.9%	2.9%	3.0%	3.3%	2.5%	2.5%	2.5%	2.3%	1.8%	1.8%	2.1%	2.8%	3.1%	3.1%	3.1%	2.8%		Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 9/30/12	322.0	367.2	442.0	496.8	533.5	602.5	627.0	670.5	726.1	712.0	785	825	Revenues (\$mill)	950
LT Debt \$1658.4 mill. Due in 5 Yrs \$300 mill.	62.7	67.3	80.0	91.2	92.0	95.0	97.9	104.4	124.0	143.1	145	160	Net Profit (\$mill)	195
LT Debt \$1519.7 mill. LT Interest \$65.0 mill.	38.5%	39.3%	39.4%	38.4%	39.6%	38.9%	39.7%	39.4%	39.2%	32.9%	40.0%	40.0%	Income Tax Rate	40.0%
(LT interest earned: 5.3x; total interest coverage: 4.4x)	--	--	--	--	--	--	--	--	2.9%	3.1%	3.0%	3.0%	AFUDC % to Net Profit	2.0%
(54% of Cap'l)	51.0%	51.1%	50.0%	50.0%	51.0%	55.1%	51.1%	55.0%	50.0%	50.1%	50.0%	50.0%		

Pension Assets-12/11	\$148.9 mil.	34.2%	51.4%	50.0%	52.0%	51.6%	55.4%	54.1%	56.6%	53.0%	52.0%	50.0%	Long-term Debt Ratio	46.0%
Oblig.	\$237.1 mil.	45.8%	48.6%	50.0%	48.0%	48.4%	44.6%	45.9%	44.4%	43.4%	47.0%	48.0%	Common Equity Ratio	54.0%
		1076	1355	1497	1690	1904	2191	2306	2495	2706	2647	2715	Total Capital (\$mil)	2885

Pfd Stock None	1490.8	1824.3	1869.8	2280.0	2506.1	2792.8	2997.4	2108.9	2108.2	2077.9	2710	2700	Total Capital (\$mm)	2000
Common Stock 139,941,476 shares as of 10/24/12	1490.8	1824.3	1869.8	2280.0	2506.1	2792.8	2997.4	2108.9	2108.2	2077.9	2710	2700	Net Pay'l (\$mill)	4320
	7.6%	6.4%	6.7%	6.9%	6.4%	5.9%	5.7%	5.6%	5.9%	6.8%	5.5%	6.0%	Return on Total Cap'l	4.5%

MARKET CAP: \$3.6 billion (Mid Cap)				12.7%	10.2%	10.7%	11.2%	10.0%	9.7%	9.3%	9.4%	10.6%	11.4%	11.0%	11.5%	Return on Shr. Equity	12.5%
CURRENT POSITION	2010	2011	9/30/12	12.7%	10.2%	10.7%	11.2%	10.0%	9.7%	9.3%	9.4%	10.6%	11.4%	11.0%	11.5%	Return on Com Equity	12.5%
(\$MILL.)																	
Cash Assets	5.9	8.2	6.1	5.2%	4.2%	4.6%	4.9%	3.7%	3.2%	2.8%	2.7%	3.7%	4.6%	4.0%	4.5%	Retained to Com Eq	5.0%
	2.9	2.9	1.4	59%	59%	57%	56%	63%	67%	70%	72%	65%	60%	65%	63%	All Divs to Net Prof	59%

Receivables Inventory (AvgCst) Other Current Assets Accts Payable Debt Due Other Current Liab.	\$9.3 \$1.2 \$4.4 \$15.4 \$68.3 \$80.4 \$149.9 \$223.7	\$1.1 \$1.2 \$20.8 \$320.5 \$68.3 \$80.4 \$277.0 \$425.7	\$0.8 \$2.2 \$108.9 \$231.0 \$45.1 \$138.7 \$131.3 \$315.1
---	---	---	---

BUSINESS: Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately three million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana, and five other states. Divested three of four non-water businesses in '91; telemarketing group in '93; and others. Acquired AquaSource, '70/3; Consumers Water, 4/99; and others. Water supply revenues '11: residential, 59.5%; commercial 14.5%; industrial & other, 26.0%. Officers and directors own 1.5% of the common stock (4/12 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-525-1400. Internet: www.aquaamerica.com.

Fix. Chg. Cov.	290%	367%	328%
ANNUAL RATES	Past	Past	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Revenues	8.0%	7.5%	4.5%
"Cash Flow"	8.5%	8.0%	5.0%
Earnings	6.5%	4.5%	7.0%
Dividends	7.5%	8.0%	5.0%
Book Value	9.0%	7.0%	4.0%

Calendar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	154.5	167.3	180.8	167.9	670.5
2010	160.5	178.5	207.8	179.3	726.1
2011	163.6	178.3	197.3	172.7	712.0
2012	170.2	198.2	214.6	202	785
2013	180	210	215	220	825

Cal-ender	EARNINGS PER SHARE ^A					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Year	
2009	.14	.19	.25	.19	.77	<p>necessary, considering that the housing market appears to be rebounding. On the cost side, the construction of four solar farms and the conversion of their truck fleet to natural gas should help margins. We have raised our 2013 share-net estimate. We have increased our 2013 top-</p> <p>most promise, due to lighter regulations and improving demographics. A dividend hike provides a welcoming sign. However, further increases are unlikely in the near term, as management shifts its focus on M&A and capital investments.</p>
2010	.16	.22	.32	.20	.90	
2011	.22	.27	.30	.25	1.03	
2012	.20	.30	.36	.19	1.05	
2013	.22	.29	.39	.25	1.15	

Calendar	QUARTERLY DIVIDENDS PAID \$					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	Dec.31	
2009	.135	.135	.135	.145	.55	
2010	.145	.145	.145	.155	.59	
2011	.155	.155	.155	.165	.63	
2012	.165	.165	.165	.175	.67	
2013						

and bottom-line estimates to \$825 million and 1.15 a share, respectively.

The Marcellus water pipeline venture should boost longer-term profitability. Phase II of the project was most likely completed at the end of 2012. The pipeline has already eliminated the need for 15 000

The stock is set to outperform the broader market averages in the near term. The issue should have some appeal to income-oriented accounts, due to its above-average dividend yield when compared to the *Value Line* median.

Michael Collins

BUSINESS: Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately three million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana, and five other states. Divested three of four non-water businesses in '91; telemarketing group in '93; and others. Acquired AquaSource, 7/03; Consumers Water, 4/99; and others. Water supply revenues '11: residential, 59.5%; commercial, 14.5%; industrial & other, 26.0%. Officers and directors own 1.5% of the common stock (4/12 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-525-1400. Internet: www.aquamerica.com.

Aqua America will likely grow at a decent clip in 2013. Indeed, we expect the shale-water pipeline business, the retooling of its portfolio, and cost controls to drive a 9% year-over-year rise in the bottom line. Additionally, we are looking

for an acceleration of infrastructure investments over the next two years. Management estimates that capital spending should increase 8%-10% from the 2012 figure. The majority of investments will be focused on pipe replacement projects to improve its distribution networks and upgrade plants. These investments are necessary, considering that the housing market appears to be rebounding. On the

We have raised our 2013 share-net estimate. We have increased our 2013 top-

The Marcellus water pipeline venture should boost longer-term profitability. Phase II of the project was most likely completed at the end of 2012. The pipeline has already eliminated the need for 15,000

others. Water supply revenues '11: residential, 59.5%; commercial, 14.5%; industrial & other, 26.0%. Officers and directors own 1.5% of the common stock (4/12 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-525-1400. Internet: www.aquaamerica.com.

water truck trips over the rural roads of Pennsylvania. With the recent uptick in natural gas prices, drilling activity should start picking up for oil & gas operators. WTR may also start looking to penetrate the Utica market, as well.

The company's portfolio restructuring efforts should continue into 2013. There has been no update on Aqua America's \$95 million offer to sell its Florida operations to the Florida Governmental Utility Authority. The leaner portfolio plan will consolidate its operations to 8 markets, with Ohio and Texas offering the most promise, due to lighter regulations and improving demographics.

A dividend hike provides a welcoming sign. However, further increases are unlikely in the near term, as management shifts its focus on M&A and capital investments.

The stock is set to outperform the broader market averages in the near term. The issue should have some appeal to income-oriented accounts, due to its above-average dividend yield when compared to the *Value Line* median.

Michael Collins *January 18, 2013*

(A) Diluted eggs. Excl. nonrec. gains (losses): '99, (11¢); '00, 2¢; '01, 2¢; '02, 5¢; '03, 4¢. Excl. gain from disc. operations: '96, 2¢. Next earnings report due late February.

(B) Dividends historically paid in early March, June, Sept. & Dec. = Div'd. reinvestment plan available (5% discount).
(C) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	100

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-833-0046.

ATTACHMENT B

Stocks in the Natural Gas Utility Industry have strengthened in price over the past several months. It appears that movement can be attributed partially to better performing financial markets, reflecting Federal Reserve Chairman Ben Bernanke's ongoing support for keeping interest rates low (through substantial purchases of U.S. government and agency bonds) to stimulate the economy. A string of positive corporate earnings reports and reasonably good demand in a recent Italian bond auction have provided additional support for equities.

But by the time we went to press, there was some investor concern about an estimated \$85 billion in across-the-board spending cuts taking effect, which would constrain the economy, if a deal was not reached between President Obama and Congress. (A series of automatic tax hikes were largely avoided earlier this year because of an 11th hour agreement.) Even if this scenario occurred, we believe that Natural Gas Utility stocks would hold up better than those in a number of other industries. Indeed, their healthy levels of dividend income have provided a measure of much-needed stability during market downturns.

State of the Domestic Economy

The economy had a challenging time in the final quarter of 2012, with Gross Domestic Product (GDP) expanding just 0.1% (revised upward from a contraction of 0.1% due to better export figures and fewer imports). That result stemmed partly from the largest cut in defense expenditures in 40 years. To further complicate matters, businesses scaled back on restocking. In this difficult operating environment, customers have been focusing on energy conservation, which, of course, acts as a restraint on the revenues of the companies included in the Natural Gas Utility Industry.

Even so, better (though not spectacular) economic conditions might be in store for 2013. For one thing, the housing market has exhibited signs of life, with strength in both building permits and housing starts. Moreover, the employment picture should gradually improve, and there ought to be reasonable progress in consumer spending and business investment. At this juncture, we believe that GDP will increase between 1% and 2% in the first quarter, with growth picking up later in the year and into 2014.

Weather

Weather is a factor that affects the demand for natural gas, especially from small commercial businesses and consumers. Not surprisingly, earnings for utilities are susceptible to seasonal temperature patterns, with consumption normally at its peak during the winter heating months. Unseasonably warm or cold weather can cause substantial volatility in quarterly operating results. But some companies strive to counteract this exposure through temperature-adjusted rate mechanisms, which are available in many states. Therefore, investors interested in utilities with more-stable profits from year to year are advised to look for companies that hedge this risk.

INDUSTRY TIMELINESS: 60 (of 98)

Business Structure

A number of these utilities have to settle cases with their respective state commissions when trying to change their current rates. The local governments evaluate these rates and determine the return on equity these companies can achieve for a certain period of time. Rate cases generally occur when operational expenses pressure profitability. Thus, at any given time, there are usually a few rate cases pending here. As a result, the status of rate cases remains carefully watched in this sector. A favorable ruling can increase what a company can charge its customers and, in turn, bolster earnings. The state commissions generally try to strike a balance between consumer and shareholder interests when making these decisions. When the regulatory climate is relatively quiet, utilities may place greater emphasis on cost cutting and nonregulated businesses (which include pipelines and energy marketing & trading).

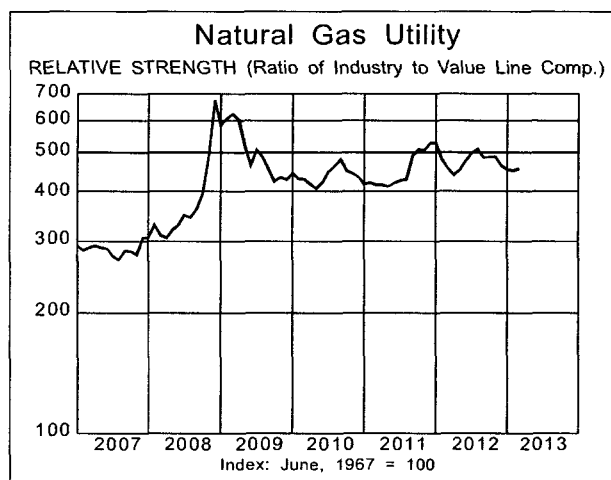
Dividends

The main attraction of utility equities is their generous levels of dividend income. At the time of this writing, the average yield for the 11 companies in our group was around 3.7%, considerably higher than the *Value Line* median of 2.3%. Standouts include *AGL Resources*, *Northwest Natural Gas*, *Laclede Group*, and *WGL Holdings*. When the financial markets are turbulent, which seems to be more common these days, healthy dividend yields tend to act as an anchor, so to speak, in this category.

Conclusion

Stocks in the Natural Gas Utility Industry are most appropriate for income-oriented investors with a conservative bent (given that a number of these issues are ranked favorably for Safety and earn high marks for Price Stability). It should be noted, however, that companies with larger nonregulated operations may offer a higher potential for returns, though profits could be more volatile than for companies with a greater emphasis on the more stable utility segment. As always, our readers are advised to carefully examine the following reports before making a commitment.

Frederick L. Harris, III



**VALUE
LINE**

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

LACLEDE GROUP NYSE:LG

RECENT PRICE **40.67** P/E RATIO **14.3** (Trailing: 14.0) Median: 14.0 RELATIVE P/E RATIO **0.89** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 3 Lowered 9/23/11	High: 25.0 30.0 32.5 34.3 37.5 36.0 55.8 48.3 37.8 42.8 44.0 41.6	Low: 19.0 21.8 26.0 26.9 29.1 28.8 31.9 29.3 30.8 32.9 36.5 37.4	Target Price Range 2016 2017 2018
SAFETY 2 Raised 6/20/03	LEGENDS 1.00 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recessions		
TECHNICAL 3 Raised 3/1/13			
BETA .55 (1.00 = Market)			

2016-18 PROJECTIONS

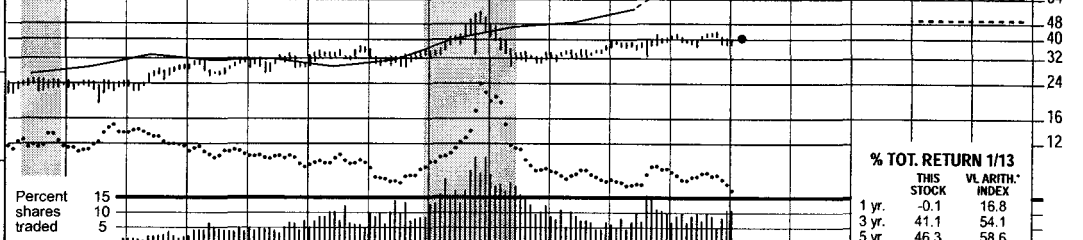
	Price	Gain	Return
High	65	(+60%)	15%
Low	50	(+25%)	9%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	62	62	56
to Sell	71	64	75
Hld's(000)	11161	10921	11121



	THIS STOCK	VL ARITH. INDEX
1 yr.	-0.1	16.8
3 yr.	41.1	54.1
5 yr.	46.3	58.6

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC 16-18
34.33	31.04	26.04	29.99	53.08	39.84	54.95	59.59	75.43	93.51	93.40	100.44	85.49	77.83	71.48	49.76	50.40	50.90	Revenues per sh ^A	58.80
3.32	3.02	2.56	2.68	3.00	2.56	3.15	2.79	2.98	3.81	3.87	4.22	4.56	4.11	4.62	4.58	4.65	4.85	"Cash Flow" per sh	5.90
1.84	1.58	1.47	1.37	1.61	1.18	1.82	1.82	1.90	2.37	2.31	2.64	2.92	2.43	2.86	2.79	2.85	3.00	Earnings per sh ^{A,B}	3.75
1.30	1.32	1.34	1.34	1.34	1.34	1.34	1.35	1.37	1.40	1.45	1.49	1.53	1.57	1.61	1.66	1.74	1.76	Div'ds Decl'd per sh ^C	1.82
2.44	2.68	2.58	2.77	2.51	2.80	2.67	2.45	2.84	2.97	2.72	2.57	2.36	2.56	3.02	4.71	2.87	2.90	Cap'l Spending per sh	3.00
14.26	14.57	14.96	14.99	15.26	15.07	15.65	16.96	17.31	18.85	19.79	22.12	23.32	24.02	25.56	26.60	28.35	30.00	Book Value per sh ^D	35.25
17.56	17.63	18.88	18.88	18.88	18.96	19.11	20.98	21.17	21.36	21.65	21.99	22.17	22.29	22.43	22.62	23.0	23.0	Common Shs Outst'g ^E	23.5
12.5	15.5	15.8	14.9	14.5	20.0	13.6	15.7	16.2	13.6	14.2	14.3	13.4	13.7	13.0	14.5	14.5	14.5	Avg Ann'l P/E Ratio	15.5
.72	.81	.90	.97	.74	1.09	.78	.83	.86	.73	.75	.86	.89	.87	.82	.97	.97	.97	Relative P/E Ratio	1.05
5.6%	5.4%	5.8%	6.6%	5.7%	5.7%	5.4%	4.7%	4.4%	4.3%	4.4%	3.9%	3.9%	4.7%	4.3%	4.1%	4.1%	4.1%	Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 12/31/12
Total Debt \$350.7 mill. Due in 5 Yrs \$50.0 mill.
LT Debt \$350.7 mill. LT Interest \$24.0 mill.
(Total interest coverage: 4.6x)

Leases, Uncapitalized Annual rentals \$9 mill.
Pension Assets-9/11 \$248.0 mill.
Oblig. \$384.2 mill.

Pfd Stock None
Common Stock 22,572,787 shs.
as of 2/1/12

MARKET CAP: \$925 million (Small Cap)

CURRENT POSITION

	2011	2012	12/31/12
Cash Assets	43.3	27.5	46.5
Other	325.8	315.5	353.5
Current Assets	369.1	343.0	400.0
Accts Payable	96.6	89.5	101.0
Debt Due	46.0	25.0	--
Other	89.3	137.6	174.1
Current Liab.	231.9	252.1	275.1
Fix. Chg. Cov.	463%	442%	443%

	Past 10 Yrs.	Past 5 Yrs.	Past Est'd '10-'12
ANNUAL RATES			
of change (per sh)			
Revenues	5.0%	5.5%	5.5%
"Cash Flow"	5.0%	4.5%	5.0%
Earnings	7.0%	4.0%	5.5%
Dividends	2.0%	3.0%	2.0%
Book Value	5.5%	6.5%	5.5%

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2010	491.2	635.3	324.5	284.0	1735.0
2011	444.2	543.8	344.3	271.0	1603.3
2012	410.9	358.2	186.9	169.5	1125.5
2013	300.0	405	210	235	1150
2014	375	405	215	180	1175

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2010	1.03	1.26	.21	d.07	2.43
2011	1.05	1.25	.69	d.13	2.86
2012	1.12	1.32	.38	d.03	2.79
2013	1.14	1.35	.40	d.04	2.85
2014	1.25	1.45	.40	d.10	3.00

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.385	.385	.385	.385	1.54
2010	.395	.395	.395	.395	1.58
2011	.405	.405	.405	.405	1.62
2012	.415	.415	.415	.415	1.66
2013	.425				

BUSINESS: Laclede Group, Inc. is a holding company for Laclede Gas, which distributes natural gas in eastern Missouri, including the city of St. Louis, St. Louis County, and parts of 10 other counties. Has roughly 628,000 customers. Purchased SM&P Utility Resources, 1/02; divested, 3/08. Utility terms sold and transported in fiscal 2012: 1.0 bill. Revenue mix for regulated operations: residen-

The Laclede Group is purchasing the Missouri Gas Co. and New England Gas Co. (NEG) from Southern Union for \$1.035 billion. The price includes the absorption of \$20 million of NEG's debt. This deal will be transformative, as it will almost double the company's size overnight. The combined company will provide natural gas to both of Missouri's largest cities, Kansas City and St. Louis. This deal has already received Hart-Scott-Rodino Antitrust Act approval, and we expect the deal to close by the end of fiscal 2013. However, it has not been added to our estimates yet. This combination will allow the company to file rate cases with the Missouri Public Service Commission twice, and could allow for operational synergies. (The company already entered an agreement to sell its right to buy NEG to Algonquin Power and Utilities company, but Laclede will take ownership of NEG if the deal falls through.)

The Laclede Group had a strong start to fiscal 2013 (began October 1, 2012). Share earnings rose to \$1.14, which included due diligence costs related to the merger. The balance sheet also appears to

be robust, but added debt due to the acquisition will cause some short-term costs for the company. That said, the low-rate environment will provide a tailwind causing interest charges to be less worrisome. **Natural gas as a vehicular fuel source continues to be an area of interest for the Laclede Group.** The company has partnered with Siemens to develop a new natural gas station in the St. Louis Lambert Airport, which will service both commercial fleets and the public. The nascent transition from oil to natural gas looks like it will provide a long-term boost to company revenues and earnings.

The Timeliness rank of Laclede Group is 3 (Average). Although the company will likely encounter some problems related to the sizable merger, the longer-term outlook appears to have grown stronger. The new cash flows should cover the expected modest growth in dividends. The yield is higher than average for a natural gas utility, and total return potential is decent. Overall, this equity remains a solid choice for the more conservative investor.

John E. Seibert III

March 8, 2013

(A) Fiscal year ends Sept. 30th.
(B) Based on average shares outstanding thru '97, then diluted. Excludes nonrecurring loss: '06, 7¢. Excludes gain from discontinued oper-

ations: '08, 94¢. Next earnings report due late April. (C) Dividends historically paid in early January, April, July, and October. (D) Dividend reinvestment plan available. (E) Incl. deferred

charges. In '11: \$429.9 mill., \$19.17/sh.
(F) Qly. eqs. may not sum due to rounding or change in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	80

To subscribe call 1-800-833-0046.

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

NEW JERSEY RES. NYSE-NJR

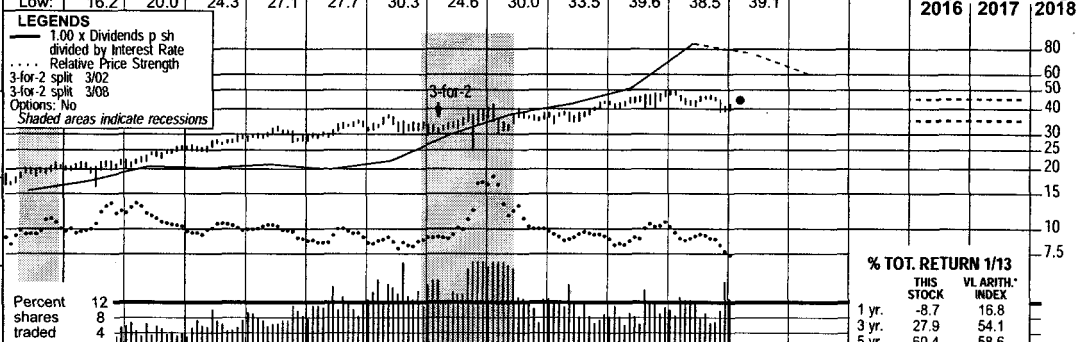
RECENT PRICE **44.29** P/E RATIO **17.0** (Trailing: 17.9 Median: 16.0) RELATIVE P/E RATIO **1.06** DIV'D YLD **3.6%** VALUE LINE

TIMELINESS 4 Lowered 12/28/12
SAFETY 1 Raised 9/15/06
TECHNICAL 3 Lowered 2/1/13
BETA .65 (1.00 = Market)

2016-18 PROJECTIONS
 Price 45 Gain (Nil) Ann'l Total Return 4%
 High 35 Low 35 (-20%) -1%

Insider Decisions
 A M J J A S O N D
 to Buy 0 0 0 0 0 0 0 0 0 0
 Options 0 0 0 0 0 0 0 0 0 0
 to Sell 0 0 0 0 0 0 0 0 0 0

Institutional Decisions
 1Q2012 2Q2012 3Q2012
 to Buy 75 68 73
 to Sell 71 80 75
 Hld's(000) 24119 23904 23780



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
17.31	17.73	22.65	29.42	51.22	44.11	62.29	60.89	76.19	79.63	72.62	90.74	62.34	64.10	72.60	54.16	66.25	68.25	Revenues per sh ^A	74.55
1.63	1.74	1.86	1.99	2.12	2.14	2.38	2.50	2.62	2.73	2.44	3.62	3.16	3.26	3.40	3.74	3.55	3.75	"Cash Flow" per sh	4.00
.99	1.04	1.11	1.20	1.30	1.39	1.59	1.70	1.77	1.87	1.55	2.70	2.40	2.46	2.58	2.71	2.60	2.70	Earnings per sh ^B	2.95
.71	.73	.75	.76	.78	.80	.83	.87	.91	.96	1.01	1.11	1.24	1.36	1.44	1.54	1.60	1.60	Div'ds Decl'd per sh ^C	1.72
1.15	1.07	1.21	1.23	1.10	1.02	1.14	1.45	1.28	1.28	1.46	1.72	1.81	2.10	2.26	2.00	2.00	2.00	Cap'l Spending per sh	2.00
6.92	7.26	7.57	8.29	8.80	8.71	10.26	11.25	10.60	15.00	15.50	17.28	16.59	17.62	18.73	18.15	18.70	19.85	Book Value per sh ^D	23.50
40.23	40.07	39.92	39.59	40.00	41.50	40.85	41.61	41.32	41.44	41.61	42.06	41.59	41.17	41.45	41.53	40.00	40.00	Common Shs Outst'g ^E	40.00
13.5	15.3	15.2	14.7	14.2	14.7	14.0	15.3	16.8	16.1	21.6	12.3	14.9	15.0	16.8	16.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.78	.80	.87	.96	.73	.80	.80	.81	.89	.87	1.15	.74	.99	.95	1.05	1.08			Relative P/E Ratio	.95
5.3%	4.6%	4.5%	4.4%	4.2%	3.9%	3.7%	3.3%	3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	3.3%			Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 12/31/12
 Total Debt \$933.1 mill. Due in 5 Yrs \$214.3 mill.
 LT Debt \$394.4 mill. LT Interest \$19.6 mill.
 Incl. \$65.8 mill. capitalized leases.
 (LT interest earned: 7.5x; total interest coverage: 7.5x)
 Pension Assets-9/12 \$207.8 mill.
 Pfd Stock None
 Common Stock 41,810,073 shs.
 as of 2/5/12
MARKET CAP: \$1.9 billion (Mid Cap)

CURRENT POSITION (\$MILL.)	2011	2012	12/31/12
Cash Assets	7.4	4.5	3.3
Other	725.0	642.8	768.1
Current Assets	732.4	647.3	771.4
Accts Payable	66.0	265.8	315.0
Debt Due	166.9	287.6	403.1
Other	470.5	99.7	78.8
Current Liab.	703.4	653.1	796.9
Fix. Chg. Cov.	700%	700%	700%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12 to '16-'18
Revenues	4.5%	-3.5%	2.5%
"Cash Flow"	5.0%	6.0%	2.5%
Earnings	7.0%	8.5%	2.0%
Dividends	6.5%	8.5%	3.0%
Book Value	8.0%	6.5%	4.0%

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2010	609.6	918.4	479.8	631.5	2639.3
2011	713.2	977.0	648.1	670.9	3009.2
2012	642.4	612.9	425.1	568.5	2248.9
2013	736.0	700	575	639	2650
2014	755	720	595	660	2730

Fiscal Year Ends	EARNINGS PER SHARE A B				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2010	.66	1.55	.28	d.03	2.46
2011	.71	1.62	.23	.02	2.58
2012	1.09	1.79	.10	d.27	2.71
2013	.85	1.84	.15	d.24	2.60
2014	.87	1.86	.17	d.20	2.70

Cal-endar	QUARTERLY DIVIDENDS PAID C ■				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.31	.31	.31	.31	1.24
2010	.34	.34	.34	.34	1.36
2011	.36	.36	.36	.36	1.44
2012	.38	.38	.38	.80	1.94
2013	--	.40			

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in New Jersey, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had about 500,070 customers at 9/30/12 in Monmouth and Ocean Counties, and other N.J. Counties. Fiscal 2012 volume: 161 bill. cu. ft. (6% interruptible, 31% residential and commercial and electric utility, 63% incentive programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2012 dep. rate: 2.3%. Has 927 empl. Off./dir. own about 1.1% of common (12/12 Proxy). Chmn., CEO & Pres.: Laurence M. Downes, Inc. NJ Addr.: 1415 Wyckoff Road, Wall, NJ 07719. Tel.: 732-938-1480. Web: www.njresources.com.

New Jersey Resources is off to a weak start in fiscal 2013 (ends September 30th). The company did log a top-line advance of almost 15% on a year-over-year basis. That reflected higher contributions from the New Jersey Natural Gas division, which added 1,959 new customers during the December period. However, Hurricane Sandy did hinder the company's results during this time frame. At this point, service has been restored to almost all of its affected territories, although capital expenditures to fix damages related to this disaster will be spread out over the next few years. Also, NJR's margins were squeezed due to the lingering effects of the hurricane. Additional issues stemmed from diminished investment tax credits at the NJR Clean Energy Ventures. On balance, these detractors weighed on profitability and sent the bottom line 22% lower, to \$0.85 a share. Consequently, **We have lowered our 2013 share-net estimate by \$0.30, to \$2.60.** This move would represent an annual decline of about 4%, and largely reflects the impacts of Hurricane Sandy this fiscal year. It is also in line with the company's recently

issued guidance, calling for net financial earnings of \$2.55 to \$2.75. **Additionally, we have introduced our 2014 earnings estimate at \$2.70 a share.** The New Jersey Natural Gas division has been quite successful at gaining customers. At this point, management is projecting 12,500 to 14,500 new customer over the next two years, up from a previous range of 12,000 to 14,000. This would represent an annual customer growth rate of 1.3% to 1.4%. **The balance sheet is in adequate shape.** The long-term debt load has remained constant and represents a modest 38% of total capital. Meanwhile, cash reserves were down about 28% in the first quarter, to roughly \$3.3 million. **These shares may appeal to conservative income-seeking investors.** Indeed, NJR offers a dividend yield near the median for the industry. Prospects are bright for good dividend growth, as well. On the downside, this stock is trading inside our Target Price Range, which limits the equity's appreciation potential to 2016-2018. And, at present, they are untimely.

(A) Fiscal year ends Sept. 30th.
 (B) Diluted earnings. Qly eggs may not sum to total due to change in shares outstanding. Next earnings report due late April.
 (C) Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.
 (D) Includes regulatory assets in 2012: \$441.3 million, \$10.63/share.
 (E) In millions, adjusted for splits.

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength A
 Stock's Price Stability 100
 Price Growth Persistence 55
 Earnings Predictability 50

To subscribe call 1-800-833-0046.

N.W. NAT'L GAS NYSE: NWN				RECENT PRICE	45.23	P/E RATIO	18.6 (Trailing: 19.2; Median: 17.0)	RELATIVE P/E RATIO	1.16	DIV'D YLD	4.0%	VALUE LINE																				
TIMELINESS	3	Raised 9/21/12	High: 30.7	31.3	34.1	39.6	43.7	52.8	55.2	46.5	50.9	49.0	50.8	46.6																		
SAFETY	1	Raised 3/18/05	Low: 23.5	24.0	27.5	32.4	32.8	39.8	37.7	37.7	41.1	39.6	41.0	43.6																		
TECHNICAL	4	Lowered 2/15/13	LEGENDS 1.10 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded areas indicate recessions																													
BETA	.60	(1.00 = Market)																														
2016-18 PROJECTIONS				Ann'l Total																												
High	Price	Gain	Return																													
Low	60	(+35%)	11%																													
	50	(+10%)	7%																													
Insider Decisions				A M J J A S O N D																												
to Buy	0	0	0	0	0	0	0	0	0	0	0	0	0	0																		
Options	0	0	0	0	0	0	0	0	0	0	0	0	0	0																		
to Sell	0	0	0	0	0	0	0	0	0	0	0	0	0	0																		
Institutional Decisions				1Q2012 2Q2012 3Q2012																												
to Buy	69	70	72	Percent	15																											
to Sell	58	51	54	shares	5																											
Hld's(000)	16355	16429	15820	traded	10																											
1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC '16-18														
15.82	16.77	18.17	21.09	25.78	25.07	23.57	25.69	33.01	37.20	39.13	39.16	38.17	30.56	31.72	29.25	29.50	29.80	Revenues per sh	31.60													
3.72	3.24	3.72	3.68	3.86	3.65	3.85	3.92	4.34	4.76	5.41	5.31	5.20	5.18	5.00	4.50	4.60	4.85	"Cash Flow" per sh	5.15													
1.76	1.02	1.70	1.79	1.88	1.62	1.76	1.86	2.11	2.35	2.76	2.57	2.83	2.73	2.39	2.25	2.45	2.90	Earnings per sh A	3.25													
1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.30	1.32	1.39	1.44	1.52	1.60	1.68	1.75	1.79	1.83	1.87	Div'ds Decl'd per sh B=C	2.00													
5.07	4.02	4.78	3.46	3.23	3.11	4.90	5.52	3.48	3.56	4.48	3.92	5.09	9.35	3.76	6.60	6.95	7.35	Cap'l Spending per sh	8.00													
16.02	16.59	17.12	17.93	18.56	18.88	19.52	20.64	21.28	22.01	22.52	23.71	24.88	26.08	26.70	26.95	27.35	27.65	Book Value per sh D	27.60													
22.86	24.85	25.09	25.23	25.23	25.59	25.94	27.55	27.58	27.24	26.41	26.50	26.53	26.58	26.76	27.00	27.50	27.50	Common Shs Outst'g C	28.50													
14.4	26.7	14.5	12.4	12.9	17.2	15.8	16.7	17.0	15.9	16.7	18.1	15.2	17.0	19.0	20.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0													
.83	1.39	.83	.81	.66	.94	.90	.88	.91	.86	.89	1.09	1.01	1.08	1.19	1.32			Relative P/E Ratio	1.15													
4.8%	4.5%	5.0%	5.6%	5.1%	4.5%	4.6%	4.2%	3.7%	3.7%	3.1%	3.3%	3.7%	3.6%	3.9%	3.8%			Avg Ann'l Div'd Yield	3.3%													
CAPITAL STRUCTURE as of 9/30/12				611.3	707.6	910.5	1013.2	1033.2	1037.9	1012.7	812.1	848.8	790	805	820	Revenues (\$mill)	900															
Total Debt \$817.5 mill. Due in 5 Yrs \$200 mill.				46.0	50.6	58.1	65.2	74.5	68.5	75.1	72.7	63.9	60.0	65.0	80.0	Net Profit (\$mill)	90.0															
LT Debt \$641.7 mill. LT Interest \$45.0 mill.				33.7%	34.4%	36.0%	36.3%	37.2%	36.9%	38.3%	40.5%	40.4%	38.5%	37.5%	34.0%	Income Tax Rate	32.5%															
(Total interest coverage: 3.4x)				7.5%	7.1%	6.4%	6.4%	7.2%	6.6%	7.4%	8.9%	7.5%	8.1%	8.3%	9.8%	Net Profit Margin	10.3%															
Pension Assets-12/11 \$216 mill. Oblig. \$391.1 mill.				49.7%	46.0%	47.0%	46.3%	46.3%	44.9%	47.7%	46.1%	47.3%	47.0%	47.5%	47.5%	Long-Term Debt Ratio	49.0%															
Pfd Stock None				50.3%	54.0%	53.0%	53.7%	53.7%	55.1%	52.3%	53.9%	52.7%	53.0%	52.5%	52.5%	Common Equity Ratio	51.0%															
Common Stock 26,902,000 shares				1006.6	1052.5	1108.4	1116.5	1106.8	1140.4	1261.8	1284.8	1356.2	1370	1410	1450	Total Capital (\$mill)	1545															
MARKET CAP \$1.2 billion (Mid Cap)				1205.9	1318.4	1373.4	1425.1	1495.9	1549.1	1670.1	1854.2	1893.9	1985	2035	2115	Net Plant (\$mill)	2380															
CURRENT POSITION				5.7%	5.9%	6.5%	7.1%	8.5%	7.7%	7.3%	7.0%	6.2%	6.0%	6.0%	6.5%	Return on Total Cap'l	7.0%															
(SMILL.)				9.1%	8.9%	9.9%	10.9%	12.5%	10.9%	11.4%	10.5%	8.9%	8.5%	9.0%	10.5%	Return on Shr. Equity	11.5%															
Cash Assets				9.0%	8.9%	9.9%	10.9%	12.5%	10.9%	11.4%	10.5%	8.9%	8.5%	9.0%	10.5%	Return on Com Equity	11.5%															
Other				2.6%	2.7%	3.7%	4.5%	6.0%	4.5%	5.0%	4.0%	2.4%	2.5%	2.5%	4.0%	Retained to Com Eq	4.5%															
Current Assets				72%	69%	63%	59%	52%	59%	56%	61%	73%	80%	75%	65%	All Div'ds to Net Prof	61%															
Accts Payable																																
Debt Due																																
Other																																
Current Liab.																																
Fix. Chg. Cov.																																
ANNUAL RATES				Past	Past	Est'd '09-'11																										
of change (per sh)				10 Yrs.	5 Yrs.	to '16-'18																										
Revenues				4.5%	1.0%	-1.5%																										
"Cash Flow"				3.0%	3.5%	-0.5%																										
Earnings				4.0%	4.5%	2.5%																										
Dividends				3.0%	4.5%	2.5%																										
Book Value				4.0%	4.0%	1.0%																										
Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year																											
	Mar.31	Jun.30	Sep.30	Dec.31																												
2010	286.5	162.4	95.1	268.1	812.1																											
2011	323.1	161.2	93.3	271.2	848.8																											
2012	317.5	106.6	89.8	276.1	790																											
2013	320	135	90	260	805																											
2014	325	135	95	265	820																											
Cal-endar	EARNINGS PER SHARE A				Full Year																											
	Mar.31	Jun.30	Sep.30	Dec.31																												
2010	1.64	.26	d.28	1.11	2.73																											
2011	1.53	.08	d.31	1.09	2.39																											
2012	1.51	.05	d.39	1.08	2.25																											
2013	1.55	.10	d.30	1.10	2.45																											
2014	1.85	.15	d.30	1.20	2.90																											
Cal-endar	QUARTERLY DIVIDENDS PAID B=C				Full Year																											
	Mar.31	Jun.30	Sep.30	Dec.31																												
2009	.395	.395	.395	.415	1.60																											

PIEDMONT NAT'L GAS NYSE-PNY

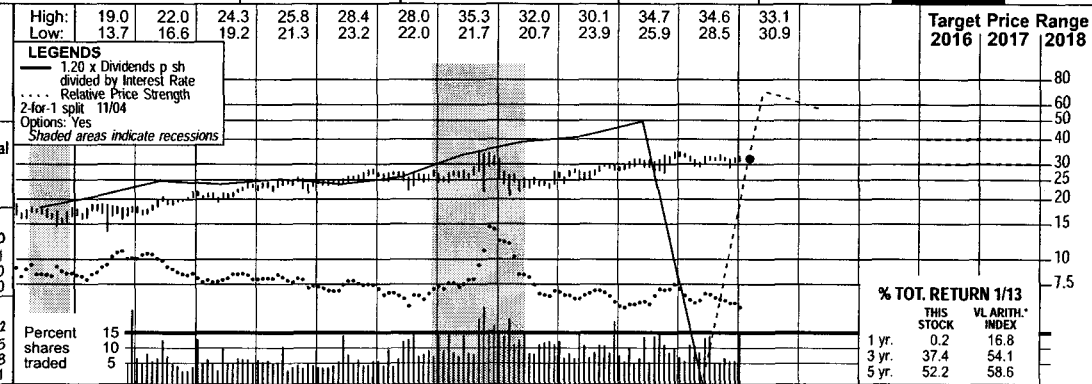
RECENT PRICE **31.97** P/E RATIO **18.8** (Trailing: 19.3; Median: 18.0) RELATIVE P/E RATIO **1.17** DIV YLD **3.8%** VALUE LINE

TIMELINESS 3 Raised 6/22/12
SAFETY 2 New 7/27/90
TECHNICAL 3 Lowered 12/28/12
BETA .65 (1.00 = Market)

2016-18 PROJECTIONS
 High Price 40 Gain (+25%) Return 9%
 Low Price 30 (-5%) Return 3%

Insider Decisions
 A M J J A S O N D
 to Buy 0 0 0 0 0 0 0 0 1
 Options 0 0 0 0 0 0 0 0 0
 to Sell 2 0 0 0 0 0 0 0 0

Institutional Decisions
 1Q2012 2Q2012 3Q2012
 to Buy 68 84 85
 to Sell 92 74 68
 Hld's(000) 32684 33222 32681



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
12.84	12.45	10.97	13.01	17.06	12.57	18.14	19.95	22.96	25.80	23.37	28.52	22.36	21.48	19.83	15.54	15.80	16.45	Revenues per sh ^A	17.95
1.62	1.72	1.70	1.77	1.81	1.81	2.04	2.31	2.43	2.51	2.64	2.77	3.01	2.91	2.99	3.09	3.10	3.15	"Cash Flow" per sh	3.30
.93	.98	.93	1.01	1.01	.95	1.11	1.27	1.32	1.28	1.40	1.49	1.67	1.55	1.57	1.66	1.70	1.75	Earnings per sh ^{AB}	1.90
.61	.64	.68	.72	.76	.80	.82	.85	.91	.95	.99	1.03	1.07	1.11	1.15	1.18	1.23	1.27	Div'ds Decl'd per sh ^C	1.39
1.52	1.48	1.58	1.65	1.29	1.21	1.16	1.85	2.50	2.74	1.85	2.47	1.76	2.75	3.37	7.33	7.25	7.25	Cap'l Spending per sh	7.25
6.95	7.45	7.86	8.26	8.63	8.91	9.36	11.15	11.53	11.83	11.99	12.11	12.67	13.35	13.79	14.21	15.55	16.10	Book Value per sh ^D	17.50
60.39	61.48	62.59	63.83	64.93	66.18	67.31	76.67	76.70	74.61	73.23	73.26	73.27	72.28	72.32	72.25	76.00	76.00	Common Shs Outst'g ^E	76.00
13.6	16.3	17.7	14.3	16.7	18.4	16.7	16.6	17.9	19.2	18.7	18.2	15.4	17.1	18.9	19.2	19.2	19.2	Avg Ann'l P/E Ratio	18.0
.78	.85	1.01	.93	.86	1.01	.95	.88	.95	1.04	.99	1.10	1.03	1.09	1.19	1.22	1.22	1.22	Relative P/E Ratio	1.20
4.8%	4.0%	4.1%	5.0%	4.5%	4.6%	4.4%	4.1%	3.8%	3.9%	3.8%	3.8%	4.1%	4.2%	3.9%	4.7%	4.7%	4.7%	Avg Ann'l Div'd Yield	3.9%

CAPITAL STRUCTURE as of 10/31/12
 Total Debt \$1340.0 mill. Due in 5 Yrs \$175.0 mill.
 LT Debt \$975.0 mill. LT Interest \$46.1 mill.
 (LT interest earned: 4.1x; total interest coverage: 3.4x)

Pension Assets-10/12 \$296.5 mill.
 Oblig. \$333.7 mill.
Pfd Stock None

Common Stock 72,276,272 shs.
 as of 12/14/12
MARKET CAP: \$2.3 billion (Mid Cap)

CURRENT POSITION	2010	2011	10/31/12
Cash Assets	5.6	6.8	2.0
Other	322.2	279.2	303.6
Current Assets	327.8	286.0	305.6
Accts Payable	115.7	129.7	142.0
Debt Due	302.0	331.0	365.0
Other	80.9	72.9	85.6
Current Liab.	498.6	534.1	592.6
Fix. Chg. Cov.	323%	323%	325%

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '10-'12
of change (per sh)			
Revenues	3.0%	4.5%	-1.0%
"Cash Flow"	5.0%	3.5%	1.5%
Earnings	5.0%	3.5%	3.0%
Dividends	5.0%	5.5%	3.0%
Book Value	5.0%	3.0%	4.0%

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Jan.31	Apr.30	Jul.31	Oct.31	
2010	673.7	472.9	211.6	194.1	1552.3
2011	652.0	392.6	197.3	192.0	1433.9
2012	471.8	308.4	161.2	181.4	1122.8
2013	490	330	180	200	1200
2014	505	345	190	210	1250

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Jan.31	Apr.30	Jul.31	Oct.31	
2010	1.14	.65	d.13	d.13	1.55
2011	1.16	.66	d.12	d.13	1.57
2012	1.05	.70	d.06	d.03	1.66
2013	1.18	.70	d.09	d.09	1.70
2014	1.20	.71	d.08	d.08	1.75

Cal-endar	QUARTERLY DIVIDENDS PAID C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.26	.27	.27	.27	1.07
2010	.27	.28	.28	.28	1.11
2011	.28	.29	.29	.29	1.15
2012	.29	.30	.30	.60	1.49
2013					

BUSINESS: Piedmont Natural Gas Company is primarily a regulated natural gas distributor, serving over 976,253 customers in North Carolina, South Carolina, and Tennessee. 2012 revenue mix: residential (48%), commercial (27%), industrial (9%), other (16%). Principal suppliers: Transco and Tennessee Pipeline. Gas costs: 48.7% of revenues. '12 deprec. rate: 2.9%. Estimated plant age: 10 years.

Piedmont Natural Gas appears poised to log a low single-digit earnings gain this year. This ought to be supported by a continued increase in the number of customers PNY services. In 2012 alone, the company added 13,274 new utility accounts, and we look for this trend to continue. Meanwhile, an active capital budget, estimated at \$525 million to \$575 million is in the pipeline. About 15% of that budget is earmarked for the completion of the Sutton power generation delivery project, which has a targeted in-service date of June, 2013. The remaining budget is expected to go toward transmission integrity projects. Meanwhile, we have introduced our 2014 bottom-line estimate at \$1.75 a share. Finally, long-term prospects may benefit from pending deals like one recently announced with Williams Partners and Cabot Oil & Gas, where PNY would be a 24% equity investor in the Constitution Pipeline. That project is still subject to regulatory approvals, but if all goes as planned, it is expected to be in service by March, 2015.

Increased production from domestic shale plays is helping to drive down

natural gas pricing. Consequently, Piedmont has filed for a reduction in natural gas rates for its customers in North Carolina and South Carolina. Customers in those regions could have their current residential gas rates lowered by 7.5% and 9.5%, respectively. The new rates would need to be approved by the individual state commissions before taking effect. If passed, this move would certainly benefit customers in this region as they find a few more dollars of expendable income each month. Meanwhile, it should not affect PNY's margins as the reduced rates coincide with lower prices on wholesale gas. **We believe these shares are fairly valued at the moment.** PNY is trading inside our Target Price Range, thus limiting its appreciation potential. **However, income-seekers may find them attractive due to their above-average dividend yield.** And conservative investors may like the Above-Average Safety rank, top mark for Price Stability, and below-market Beta. Dividend growth is steady, too. Note: The first-quarter dividend was pushed into 2012.

Bryan J. Fong March 8, 2013

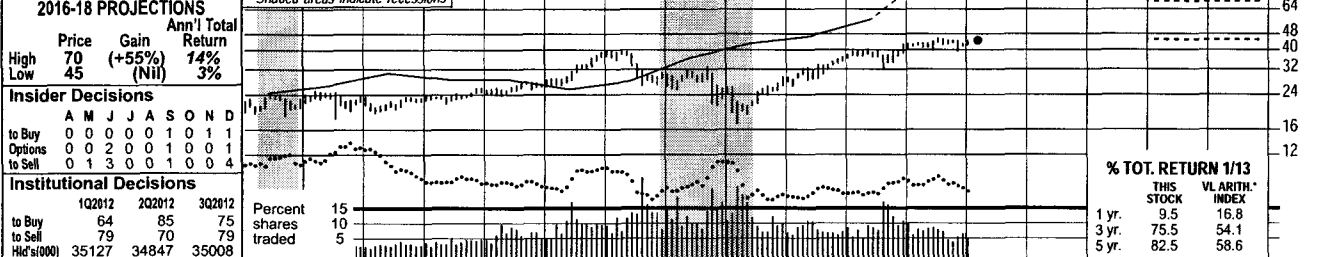
VALUE LINE	DESCRIPTION	PRICE
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Jersey will complete infrastructure		Michael Napoli, CFA		March 8, 2013	
(A) Based on GAAP egs. through 2006, economic egs. thereafter. GAAP EPS: '07, \$2.10; '08, \$2.58; '09, \$1.94; '10, \$2.22; '11, \$2.97; '12, \$2.97. Excl. nonrecr. gain (loss): '07, \$0.13; '08, \$0.31; '09, (\$0.44); '10, (\$0.47); '11, \$0.08; '12, (\$0.06). Earnings may not sum due to rounding. Next egs. report due in May.		Dec. • Div. reinvest. plan avail. (C) Incl. reg. assets. In 2011: \$315.2 mill., \$10.43 per shr. (D) In mill., adj. for split.		Company's Financial Strength B++ Stock's Price Stability 100 Price Growth Persistence 90 Earnings Predictability 85	
(B) Div ds paid early April, July, Oct., and late					
© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part					
To subscribe call 1-800-833-0046.					

SOUTHWEST GAS NYSE-SWX

RECENT PRICE **44.69** P/E RATIO **15.2** (Trailing: 15.6) RELATIVE P/E RATIO **0.94** DIV'D YLD **3.0%** VALUE LINE

TIMELINESS 3 Lowered 11/16/12	High: 25.3 23.6 26.2 28.1 39.4 39.9 33.3 29.5 37.3 43.2 46.1 45.5	Low: 18.1 19.3 21.5 23.5 26.0 26.5 21.1 17.1 26.3 32.1 39.0 42.0	Target Price Range 2016 2017 2018
SAFETY 3 Lowered 1/4/91	LEGENDS		
TECHNICAL 3 Raised 3/1/13	1.50 x Dividends p sh divided by Interest Rate		
BETA .75 (1.00 = Market)	Relative Price Strength		
	Options: Yes		
	Shaded areas indicate recessions		



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC 16-18		
26.73	30.17	30.24	32.61	42.98	39.68	35.96	40.14	43.59	48.47	50.28	48.53	42.00	40.18	41.07	41.77	43.10	43.75	Revenues per sh		52.00
3.85	4.48	4.45	4.57	4.79	5.07	5.11	5.57	5.20	5.97	6.21	5.76	6.16	6.46	6.81	7.73	7.75	8.00	"Cash Flow" per sh		9.40
.77	1.65	1.27	1.21	1.15	1.16	1.13	1.66	1.25	1.98	1.95	1.39	1.94	2.27	2.43	2.86	2.95	3.10	Earnings per sh ^A		3.75
.82	.82	.82	.82	.82	.82	.82	.82	.82	.82	.86	.90	.95	1.00	1.06	1.18	1.32	1.40	Div'ds Decl'd per sh ^{B=1}		1.60
6.19	6.40	7.41	7.04	8.17	8.50	7.03	8.23	7.49	8.27	7.96	6.79	4.81	4.73	8.29	8.57	8.50	8.65	Cap'l Spending per sh		9.60
14.09	15.67	16.31	16.82	17.27	17.91	18.42	19.18	19.10	21.58	22.98	23.49	24.44	25.62	26.66	28.39	30.85	32.30	Book Value per sh		36.00
27.39	30.41	30.99	31.71	32.49	33.29	34.23	36.79	39.33	41.77	42.81	44.19	45.09	45.56	45.96	48.15	47.00	48.00	Common Shs Outst'g ^C		50.00
24.1	13.2	21.1	16.0	19.0	19.9	19.2	14.3	20.6	15.9	17.3	20.3	12.2	14.0	15.7	15.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio		15.0
1.39	.69	1.20	1.04	.97	1.09	1.09	7.6	1.10	.86	.92	1.22	.81	.89	.98	.95			Relative P/E Ratio		1.00
4.4%	3.8%	3.1%	4.2%	3.8%	3.6%	3.8%	3.5%	3.2%	2.6%	2.6%	3.2%	4.0%	3.2%	2.8%	2.8%			Avg Ann'l Div'd Yield		2.8%

WGL HOLDINGS				NYSE-WGL		RECENT PRICE		41.82		P/E RATIO		17.1 (Trailing: 15.5 Median: 15.0)		RELATIVE P/E RATIO		1.06		DIV'D YLD		4.0%		VALUE LINE							
TIMELINESS 4 Lowered 1/4/13				High: 29.5		28.8		31.4		34.8		33.6		35.9		37.1		35.5		40.0		45.0		45.0		43.3		Target Price Range	
SAFETY 1 Raised 4/2/93				Low: 19.3		23.2		26.7		28.8		27.0		29.8		22.4		28.6		31.0		34.7		36.0		38.3		2016 2017 2018	
TECHNICAL 3 Lowered 12/14/12				LEGENDS		1.00 x Dividends p sh		divided by Interest Rate		Relative Price Strength		Options: Yes		Shaded areas indicate recessions															
BETA .65 (1.00 = Market)																													
2016-18 PROJECTIONS																													
Price 45				Gain (+10%)		Ann'l Total Return 6%																							
High Low 35						Nil																							
Insider Decisions																													
to Buy 0				to Sell 0		Options 0																							
Institutional Decisions																													
to Buy 81				to Sell 96		Hld's(000) 31569		1Q2012 81		2Q2012 86		3Q2012 102		Percent shares traded 18															
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014																													
24.16 23.74 20.92 22.19 29.80 32.63 42.45 42.93 44.94 53.96 53.51 52.65 53.98 53.60 53.75 47.09 48.30 49.50																													
3.02 2.79 2.74 3.20 3.24 2.63 4.00 3.87 3.97 3.84 3.89 4.34 4.44 4.11 4.01 4.60 4.35 4.50																													
1.85 1.54 1.47 1.79 1.88 1.14 2.30 1.98 2.13 1.94 2.09 2.44 2.53 2.27 2.25 2.68 2.45 2.60																													
1.17 1.20 1.22 1.24 1.26 1.27 1.28 1.30 1.32 1.35 1.37 1.41 1.47 1.50 1.55 1.59 1.66 1.71																													
3.20 3.62 3.42 2.67 2.68 3.34 2.65 2.33 2.32 3.27 3.33 2.70 2.77 2.57 3.94 5.85 4.85 4.80																													
13.48 13.86 14.72 15.31 16.24 15.78 16.25 16.95 17.80 18.86 19.83 20.99 21.89 22.82 23.49 24.75 25.55 26.55																													
43.70 43.84 46.47 46.47 48.54 48.56 48.63 48.67 48.65 48.89 49.45 49.92 50.14 50.54 51.20 51.50 51.75 52.00																													
12.7 17.2 17.3 14.6 14.7 23.1 11.1 14.2 14.7 15.5 15.6 13.7 12.6 15.1 17.0 15.3 15.3 15.3																													
.73 .89 .99 .95 .75 1.26 .63 .75 .78 .84 .83 .82 .84 .96 1.07 .99 .99																													
5.0% 4.5% 4.8% 4.8% 4.6% 4.8% 5.0% 4.6% 4.2% 4.5% 4.2% 4.2% 4.6% 4.4% 4.1% 4.3%																													
CAPITAL STRUCTURE as of 12/31/12																													
Total Debt \$952.1 mill. Due in 5 Yrs \$112.0 mill.																													
LT Debt \$553.7 mill. LT Interest \$36.4 mill.																													
(LT interest earned: 6.2x; total interest coverage: 5.7x)																													
Pension Assets-9/12 \$1,108.9 mill.																													
Oblig. \$1,417.2 mill.																													
Preferred Stock \$28.2 mill. Pfd. Div'd \$1.3 mill.																													
Common Stock 51,668,012 shs. as of 1/31/13																													
MARKET CAP: \$2.2 billion (Mid Cap)																													
CURRENT POSITION																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													
2011 2012 12/31/12																													
CASH ASSETS																													

ATTACHMENT C



Our Research. Your Success.

[Subscribe](#) [Free Trial](#) [Sign In](#)

Sub

[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)
[AdChoices](#)
[Top 12 Stocks to Buy Now](#)
[www.TopStockAnaly...](#)

Panel of nation's leading analysts just announced their favorite picks

[#1 Stock to Buy Right Now](#)
[www.DailyTradeAler...](#)

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's **Free Daily Newsletter!**

[Free Registration](#)

American Water Works Co Inc: (NYSE: AWK)

\$40.13

-0.23 (-0.57%)

VOLUME 1,247,567

MAR 12 04:01 PM ET

ZACKS RANK: 3-HOLD

 #3

Full Company Report

Get Full Company Report for:

GO

AMER WATER is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs nearly seven thousand dedicated professionals who provide drinking water, wastewater and other related services to approximately 15.6 million people in 32 states and Ontario, Canada.

GENERAL INFORMATION

AMER WATER WORK
 1025 LAUREL OAK ROAD
 VOORHEES, NJ 08043
 Phone: 856-346-8200
 Fax: 856-346-8360
 Web: <http://www.amwater.com>
 Email: NA

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/08/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	40.36
52 Week High	40.69
52 Week Low	32.75
Beta	0.32
20 Day Moving Average	706,455.63
Target Price Consensus	42.78

% Price Change

4 Week	3.38
12 Week	6.15
YTD	8.03

Share Information

Shares Outstanding (millions)	177.41
Market Capitalization (millions)	7,160.27
Short Ratio	0.71
Last Split Date	NA

EPS INFORMATION

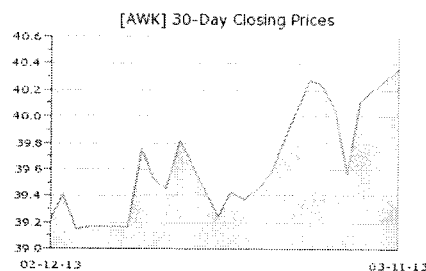
Current Quarter EPS Consensus Estimate	0.35
--	------

Do you own the RIGHT STOCKS?

ANALYZE ANY STOCK FREE!

BUY SELL HOLD

VectorVest



% Price Change Relative to S&P 500

4 Week	0.78
12 Week	-2.43
YTD	-0.68

Dividend Information

Dividend Yield	2.48%
Annual Dividend	\$1.00
Payout Ratio	0.47
Change in Payout Ratio	-0.11
Last Dividend Payout / Amount	12/18/2012 / \$0.25

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	1.18
---------------------------------------	------

[View the Archive](#)

Current Year EPS Consensus Estimate	Subscribe 2.22	Free Trial 30 Days Ago	Get Quote or Search Keyword 1.31
Estimated Long-Term EPS Growth Rate	8.00	60 Days Ago	1.33
Next EPS Report Date	05/08/2013	90 Days Ago	1.29

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	18.16	vs. Previous Year	-11.76%	vs. Previous Year	6.43%
Trailing 12 Months	19.13	vs. Previous Quarter	-65.12%	vs. Previous Quarter	-18.14%
PEG Ratio	2.27				
Price Ratios		ROE		ROA	
Price/Book	1.61	12-31-12	8.60	12-31-12	2.60
Price/Cash Flow	9.44	09-30-12	8.86	09-30-12	2.64
Price / Sales	2.49	06-30-12	8.28	06-30-12	2.44
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.50	12-31-12	0.47	12-31-12	13.06
09-30-12	0.64	09-30-12	0.61	09-30-12	13.48
06-30-12	0.60	06-30-12	0.56	06-30-12	12.75
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	12.45	12-31-12	21.94	12-31-12	25.14
09-30-12	12.96	09-30-12	22.53	09-30-12	25.21
06-30-12	12.67	06-30-12	21.33	06-30-12	24.52
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	43.64	12-31-12	1.17	12-31-12	53.96
09-30-12	42.95	09-30-12	1.17	09-30-12	53.91
06-30-12	42.97	06-30-12	1.21	06-30-12	54.69

12% Yield Stocks to Buywww.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.



AdChoices

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:



Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit [performance](#) for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**ANALYZE ANY STOCK
FREE!**
**DO YOU OWN THE
RIGHT
STOCKS?**

CLICK HERE!
VectorVest
[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)
Zacks Community
Peopleandpicks.com
Community Rating
How do you rate AWR?
BUY **SELL**

 Find out what the Zacks
 Community thinks of AWR
 at PeopleAndPicks.com

American Sts Wtr Co: (NYSE: AWR)

\$54.91

-0.12 (-0.22%)

VOLUME 77,634

MAR 12 04:02 PM ET

ZACKS RANK: 2-BUY

☐ #1 ☒ #2 ☐ #3 ☐ #4

Full Company Report
Get Full Company Report for:

American States is a public utility company engaged principally in the purchase, production, distribution and sale of water. The company also distributes electricity in some communities. In the customer service areas for both water and electric, rates and operations are subject to the jurisdiction of the California Public Utilities Commission.

GENERAL INFORMATION

 AMER STATES WTR
 630 E FOOTHILL BLVD
 SAN DIMAS, CA 91773-9016
 Phone: 9093943600
 Fax: 909-394-1382
 Web: <http://www.aswater.com>
 Email: investorinfo@aswater.com

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/06/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	2
Yesterday's Close	55.03
52 Week High	56.14
52 Week Low	34.90
Beta	0.31
20 Day Moving Average	97,692.95
Target Price Consensus	53.00

% Price Change

4 Week	5.93
12 Week	16.84
YTD	15.67

Share Information

Shares Outstanding (millions)	19.26
Market Capitalization (millions)	1,060.04
Short Ratio	5.67
Last Split Date	06/10/02

EPS INFORMATION

Current Quarter EPS Consensus Estimate	0.50
--	------

Trade and Probability Calculator

Look (1-4)

Symbol: Action:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Price: Stop:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: Q5: Q6: Q7: Q8: Q9: Q10:

Q1: Q2: Q3: Q4: <

AdChoices

Top 12 Stocks to Buy Now

www.TopStockAnaly...
Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAter...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's **Free Daily Newsletter!**

Free Registration
View the Archive

Current Year EPS Consensus Estimate	Subscribe 2.71	30 Days Ago	3.00
Estimated Long-Term EPS Growth Rate	Free Trial 6.00	60 Days Ago	3.00
Next EPS Report Date	05/06/2013	90 Days Ago	3.00

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	20.29	vs. Previous Year	51.43%	vs. Previous Year	17.11%
Trailing 12 Months	19.51	vs. Previous Quarter	-45.36%	vs. Previous Quarter	-16.46%
PEG Ratio	3.38				
Price Ratios		ROE		ROA	
Price/Book	2.33	12-31-12	12.41	12-31-12	4.27
Price/Cash Flow	10.86	09-30-12	11.90	09-30-12	4.02
Price / Sales	2.27	06-30-12	11.48	06-30-12	3.85
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	1.96	12-31-12	1.91	12-31-12	11.62
09-30-12	1.71	09-30-12	1.65	09-30-12	11.24
06-30-12	1.77	06-30-12	1.72	06-30-12	10.90
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	11.62	12-31-12	19.30	12-31-12	23.66
09-30-12	11.24	09-30-12	18.89	09-30-12	23.72
06-30-12	10.89	06-30-12	18.37	06-30-12	22.64
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	19.42	12-31-12	0.73	12-31-12	42.24
09-30-12	21.38	09-30-12	0.77	09-30-12	43.40
06-30-12	25.88	06-30-12	0.80	06-30-12	44.44

12% Yield Stocks to Buy

www.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.



AdChoices

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn

Market Watch

NASDAQ

Forbes

INVESTORS.com

MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**Is China the World's
Greatest Superpower?**

YES



NO



Home

Stocks

Funds

Earnings

Screening

Finance

Portfolio

Education

Video

Services

QUOTES

Overview Quote
Real Time Quotes
Option Chain
Options Greek Montage

NEWS

Zacks Commentary
Company News

ESTIMATES

Detailed Estimates

CHART

Comparative
Interactive Chart
Price and Consensus
12 month EPS
Price & EPS Surprise
Broker Recommendations
Fundamental Charts

RESEARCH

Full Company Report
Zacks Equity Research
Earnings Announcements
Brokerage Reports
Comparison to Industry
Insiders
Brokerage Recommendations
Annual Report

FINANCIALS

Financial Overview
Income Statements
Balance Sheet
Cash flow Statements

Zacks Community
Peopleandpicks.com

Community Rating

How do you rate CWT?

BUY SELL

Find out what the Zacks
Community thinks of CWT
at PeopleAndPicks.com

California Wtr Svc Group: (NYSE: CWT)

\$20.56

-0.52 (-2.47%)

VOLUME 301,126

MAR 12 04:03 PM ET

ZACKS RANK: 3-HOLD

☐ ☐ #3 ☐
Full Company Report

Get Full Company Report for: Enter Symbol

GO

California Water Service Company's business, which is carried on through its operating subsidiaries, consists of the production, purchase, storage, purification, distribution and sale of water for domestic, industrial, public and irrigation uses, and for fire protection. It also provides water related services under agreements with municipalities and other private companies. The nonregulated services include full water system operation, and billing and meter reading services.

GENERAL INFORMATION

CALIF WATER SVC
1720 N FIRST ST C/O CALIFORNIA WATER SERVICE CO
SAN JOSE, CA 95112
Phone: 408-367-8200
Fax: 831-427-9185
Web: <http://www.calwatergroup.com>
Email: klichtenberga@calwater.com

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/06/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	21.08
52 Week High	21.22
52 Week Low	16.84
Beta	0.28
20 Day Moving Average	175,338.25
Target Price Consensus	19.50

% Price Change

4 Week	7.44
12 Week	15.63
YTD	15.04

Share Information

Shares Outstanding (millions)	41.91
Market Capitalization (millions)	883.42
Short Ratio	4.16
Last Split Date	06/13/11

EPS INFORMATION

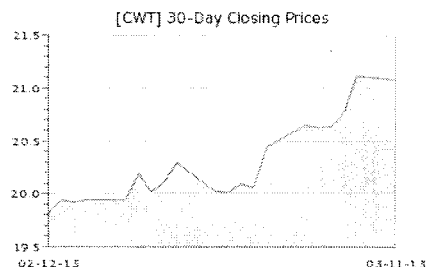
Current Quarter EPS Consensus Estimate	0.02
--	------

Do you own the
RIGHT STOCKS?

**ANALYZE ANY
STOCK FREE!**

BUY SELL HOLD

VectorVest


% Price Change Relative to S&P 500

4 Week	4.73
12 Week	6.28
YTD	5.77

Dividend Information

Dividend Yield	3.04%
Annual Dividend	\$0.64
Payout Ratio	0.55
Change in Payout Ratio	-0.11
Last Dividend Payout / Amount	02/07/2013 / \$0.16

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	2.71
---------------------------------------	------

AdChoices

Top 12 Stocks to Buy Now

www.TopStockAnaly...

Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAler...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free Daily Newsletter!

Free Registration
View the Archive

Current Year EPS Consensus Estimate	Subscribe 1.02	30 Days Ago	2.50
Estimated Long-Term EPS Growth Rate	5.00	60 Days Ago	2.38
Next EPS Report Date	05/06/2013	90 Days Ago	2.38

FUNDAMENTAL RATIOS

P/E	EPS Growth	Sales Growth
Current FY Estimate 20.60	vs. Previous Year 200.00%	vs. Previous Year 17.97%
Trailing 12 Months 18.49	vs. Previous Quarter -83.10%	vs. Previous Quarter -31.78%
PEG Ratio 4.12		
Price Ratios	ROE	ROA
Price/Book 1.86	12-31-12 10.39	12-31-12 2.47
Price/Cash Flow 8.34	09-30-12 9.84	09-30-12 2.35
Price / Sales 1.58	06-30-12 7.99	06-30-12 1.93
Current Ratio	Quick Ratio	Operating Margin
12-31-12 0.60	12-31-12 0.58	12-31-12 8.56
09-30-12 0.79	09-30-12 0.76	09-30-12 8.27
06-30-12 0.64	06-30-12 0.61	06-30-12 6.75
Net Margin	Pre-Tax Margin	Book Value
12-31-12 8.72	12-31-12 12.55	12-31-12 11.30
09-30-12 8.44	09-30-12 13.11	09-30-12 11.33
06-30-12 6.92	06-30-12 11.36	06-30-12 10.77
Inventory Turnover	Debt-to-Equity	Debt to Capital
12-31-12 37.33	12-31-12 0.92	12-31-12 47.84
09-30-12 39.18	09-30-12 1.01	09-30-12 50.24
06-30-12 38.78	06-30-12 1.06	06-30-12 51.53

12% Yield Stocks to Buy

www.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.



AdChoices

Quick Links**Services**Premium Services
Zacks Rank
Personal Finance
Commentary
Education**My Account**Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium**Resources**Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map**Client Support**Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media**Follow Us**Facebook
Twitter
LinkedIn
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn MarketWatch NASDAQ Forbes INVESTORS.com MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.

Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub

AN EASY-TO-USE
OPTIONS PLATFORM
BUILToptionsXpress
Charles Schwab

Home Stocks Funds Earnings Screening Finance Portfolio Education Video Services

QUOTES

Overview Quote
Real Time Quotes
Option Chain
Options Greek Montage

NEWS

Zacks Commentary
Company News

ESTIMATES

Detailed Estimates

CHART

Comparative
Interactive Chart
Price and Consensus
12 month EPS
Price & EPS Surprise
Broker Recommendations
Fundamental Charts

RESEARCH

Full Company Report
Zacks Equity Research
Earnings Announcements
Brokerage Reports
Comparison to Industry
Insiders
Brokerage Recommendations
Annual Report

FINANCIALS

Financial Overview
Income Statements
Balance Sheet
Cash flow Statements

AdChoices

Top 12 Stocks to Buy Now

www.TopStockAnalyst.com
Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAlert.com

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free Daily Newsletter!

Free Registration

Conn Water Serv: (NASD: CTWS)

\$28.88

-0.28 (-0.96%)

VOLUME 27,591

MAR 12 04:00 PM ET

ZACKS RANK: 3-HOLD

☐ ☐ #3 ☐

Full Company Report

Get Full Company Report for: Enter Symbol

Connecticut Water Service, Inc., is a non-operating holding company whose income comes solely from its subsidiaries. The core business is water service to people throughout towns in Connecticut and Massachusetts.

GENERAL INFORMATION

CONN WATER SVC
93 W MAIN ST
CLINTON, CT 06413
Phone: 8606698630
Fax: 860-669-9326
Web: <http://www.ctwater.com>
Email: info@ctwater.com

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	03/12/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	29.16
52 Week High	32.31
52 Week Low	26.69
Beta	0.49
20 Day Moving Average	26,321.25
Target Price Consensus	33.00

% Price Change

4 Week	-2.61
12 Week	-1.15
YTD	-1.71

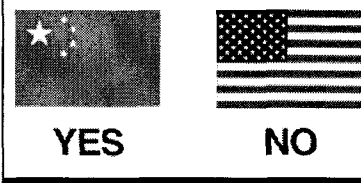
Share Information

Shares Outstanding (millions)	10.57
Market Capitalization (millions)	308.16
Short Ratio	3.09
Last Split Date	09/10/01

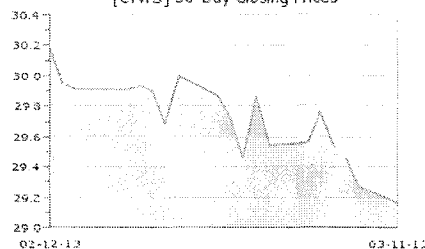
EPS INFORMATION

Current Quarter EPS Consensus Estimate	0.17
Current Year EPS Consensus Estimate	1.53

Is China the World's Greatest Superpower?



[CTWS] 30-Day Closing Prices



% Price Change Relative to S&P 500

4 Week	-5.06
12 Week	-9.15
YTD	-9.63

Dividend Information

Dividend Yield	3.33%
Annual Dividend	\$0.97
Payout Ratio	0.66
Change in Payout Ratio	NA
Last Dividend Payout / Amount	02/27/2013 / \$0.24

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	2.00
30 Days Ago	2.00

[View the Archive](#)

Estimated Long-Term EPS Growth Rate

Subscribe

NA

60 Days Ago

[Get Quote or Search Keyword](#)

2.00

Next EPS Report Date

03/12/2013

90 Days Ago

1.88ub

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	19.93	vs. Previous Year	59.52%	vs. Previous Year	19.21%
Trailing 12 Months	19.97	vs. Previous Quarter	67.50%	vs. Previous Quarter	8.24%
PEG Ratio	NA				
Price Ratios		ROE		ROA	
Price/Book	2.03	12-31-12	NA	12-31-12	NA
Price/Cash Flow	12.82	09-30-12	10.63	09-30-12	2.42
Price / Sales	3.32	06-30-12	8.95	06-30-12	2.13
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	NA	12-31-12	NA	12-31-12	NA
09-30-12	0.89	09-30-12	0.85	09-30-12	13.87
06-30-12	0.72	06-30-12	0.68	06-30-12	12.02
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	NA	12-31-12	NA	12-31-12	NA
09-30-12	14.93	09-30-12	14.97	09-30-12	14.36
06-30-12	13.13	06-30-12	13.16	06-30-12	13.93
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	NA	12-31-12	NA	12-31-12	NA
09-30-12	27.57	09-30-12	1.48	09-30-12	59.53
06-30-12	27.67	06-30-12	1.55	06-30-12	60.63



We're Serious About Business

Programmatic Accreditation
ACBSP
Business Administration Degrees

AMERICAN INTERCONTINENTAL UNIVERSITY

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn MarketWatch NASDAQ Forbes INVESTORS.com MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub



TRADE DIRECTLY ONLINE THROUGH SCHWAB
 12 markets using their local currencies
 24/7 help & support World-class research
 OPEN AN ACCOUNT

[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

AdChoices

Top 12 Stocks to Buy Now
[www.TopStockAnalyst.com](#)

Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now
[www.DailyTradeAlert.com](#)

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free Daily Newsletter!

[Free Registration](#)

Middlesex Water Co: (NASD: MSEX)

\$19.15

-0.20 (-1.03%)

VOLUME 26,974

MAR 12 04:00 PM ET

ZACKS RANK: 4-SELL

☐ ☐ ☐ ☒ #4

Full Company Report

Get Full Company Report for:

Middlesex Water Company treats, stores and distributes water for residential, commercial, industrial and fire prevention purposes.

GENERAL INFORMATION

 MIDDLESEX WATER
 1500 RONSON RD P O BOX 1500
 ISELIN, NJ 08830
 Phone: 7326341500
 Fax: 732-638-7515
 Web: <http://www.middlesexwater.com>
 Email: bsohler@middlesexwater.com

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/10/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	19.35
52 Week High	20.06
52 Week Low	17.48
Beta	0.48
20 Day Moving Average	29,655.25
Target Price Consensus	20.50

% Price Change

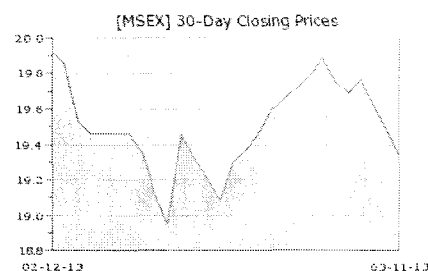
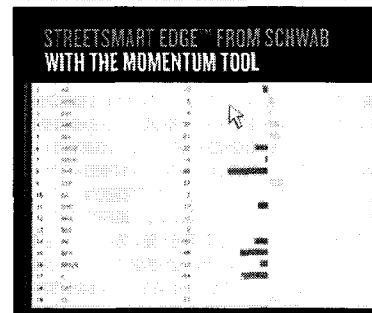
4 Week	-1.23
12 Week	2.76
YTD	1.07

Share Information

Shares Outstanding (millions)	15.76
Market Capitalization (millions)	304.86
Short Ratio	8.32
Last Split Date	11/17/03

EPS INFORMATION

Current Quarter EPS Consensus Estimate	0.17
Current Year EPS Consensus Estimate	1.01



% Price Change Relative to S&P 500

4 Week	-3.71
12 Week	-5.55
YTD	-7.07

Dividend Information

Dividend Yield	3.88%
Annual Dividend	\$0.75
Payout Ratio	0.84
Change in Payout Ratio	0.05
Last Dividend Payout / Amount	02/13/2013 / \$0.19

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	2.33
30 Days Ago	2.33

[View the Archive](#)

Estimated Long-Term EPS Growth Rate

[Subscribe](#)

NA 60 Days Ago

[Get Quote or Search Keyword](#)

2.33

Next EPS Report Date

05/10/2013

90 Days Ago

2.33

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	19.16	vs. Previous Year	41.67%	vs. Previous Year	16.22%
Trailing 12 Months	21.74	vs. Previous Quarter	-55.26%	vs. Previous Quarter	-16.30%
PEG Ratio	NA				
Price Ratios		ROE		ROA	
Price/Book	1.68	12-31-12	8.00	12-31-12	2.62
Price/Cash Flow	11.90	09-30-12	7.67	09-30-12	2.52
Price / Sales	2.76	06-30-12	7.18	06-30-12	2.39
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.44	12-31-12	0.41	12-31-12	12.99
09-30-12	0.51	09-30-12	0.48	09-30-12	12.82
06-30-12	0.48	06-30-12	0.44	06-30-12	12.36
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	13.04	12-31-12	19.73	12-31-12	11.53
09-30-12	12.87	09-30-12	19.38	09-30-12	11.53
06-30-12	12.36	06-30-12	18.66	06-30-12	11.31
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	35.09	12-31-12	0.72	12-31-12	41.54
09-30-12	31.22	09-30-12	0.73	09-30-12	41.75
06-30-12	28.62	06-30-12	0.76	06-30-12	42.72

12% Yield Stocks to Buywww.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.

[AdChoices](#)**Quick Links****Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:



Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit [performance](#) for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**Is China the World's
Greatest Superpower?**

YES



NO


[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

AdChoices

**#1 Stock to Buy
Right Now**
[www.DailyTradeAlert.com](#)
 Here's a
 recommendation that
 several top analysts
 agree on

**Top 12 Stocks to
Buy Now**
[www.TopStockAnalyst.com](#)
 Panel of nation's
 leading analysts just
 announced their
 favorite picks

Profit from the Pros

Get profitable stock picks
 and timely market advice
 in Zacks.com's Free
Daily Newsletter!
[Free Registration](#)

Sjw Corp: (NYSE: SJW)

\$26.81

-0.37 (-1.36%)

VOLUME 15,015

MAR 12 04:05 PM ET

ZACKS RANK: 3-HOLD

 #3

Full Company Report

Get Full Company Report for:

SJW CORP. is a holding company which operates through its wholly-owned subsidiaries, San Jose Water Co., SJW Land Co., and Western Precision, Inc. San Jose Water Co., is a public utility in the business of providing water service to a population of approximately 928,000 people. Their service area encompasses about 134 sq. miles in the metropolitan San Juan area. SJW Land Co. operates parking facilities located adjacent to the their headquarters and the San Jose area.

GENERAL INFORMATION

SJW CORP
 110 W. TAYLOR STREET
 SAN JOSE, CA 95110
 Phone: 4082797800
 Fax: 408-279-7917
 Web: <http://www.sjwater.com>
 Email: boardofdirectors@sjwater.com

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	04/24/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	27.18
52 Week High	28.11
52 Week Low	22.56
Beta	0.58
20 Day Moving Average	19,954.70
Target Price Consensus	29.33

% Price Change

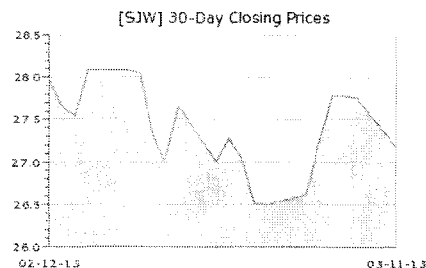
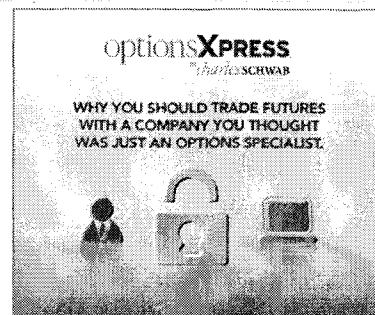
4 Week	-1.45
12 Week	8.59
YTD	4.36

Share Information

Shares Outstanding (millions)	18.69
Market Capitalization (millions)	508.13
Short Ratio	8.86
Last Split Date	03/17/06

EPS INFORMATION

Current Quarter EPS Consensus Estimate	0.13
--	------



% Price Change Relative to S&P 500

4 Week	-3.93
12 Week	-0.19
YTD	-4.05

Dividend Information

Dividend Yield	2.69%
Annual Dividend	\$0.73
Payout Ratio	0.60
Change in Payout Ratio	-0.12
Last Dividend Payout / Amount	02/07/2013 / \$0.18

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	1.67
---------------------------------------	------

[View the Archive](#)

Current Year EPS Consensus Estimate	Subscribe 1.31	30 Days Ago	Get Quote or Search Keyword 1.50
Estimated Long-Term EPS Growth Rate	NA	60 Days Ago	1.58ub
Next EPS Report Date	04/24/2013	90 Days Ago	1.50

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	20.75	vs. Previous Year	82.35%	vs. Previous Year	0.18%
Trailing 12 Months	23.03	vs. Previous Quarter	-41.51%	vs. Previous Quarter	-24.19%
PEG Ratio	NA				
Price Ratios		ROE		ROA	
Price/Book	1.85	12-31-12	8.32	12-31-12	2.10
Price/Cash Flow	8.90	09-30-12	7.40	09-30-12	1.87
Price / Sales	1.94	06-30-12	6.77	06-30-12	1.71
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.87	12-31-12	0.85	12-31-12	8.53
09-30-12	1.22	09-30-12	1.20	09-30-12	7.52
06-30-12	1.27	06-30-12	1.25	06-30-12	7.03
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	8.53	12-31-12	14.48	12-31-12	14.72
09-30-12	8.80	09-30-12	14.98	09-30-12	14.58
06-30-12	8.35	06-30-12	14.15	06-30-12	14.20
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	114.89	12-31-12	1.22	12-31-12	55.00
09-30-12	116.20	09-30-12	1.24	09-30-12	55.28
06-30-12	112.74	06-30-12	1.27	06-30-12	55.96

**Quick Links****Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:



Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit [performance](#) for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**Is China the World's
Greatest Superpower?**

YES



NO


[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)
[Zacks Community](#)
[Peopleandpicks.com](#)

Community Rating

How do you rate WTR?

Find out what the Zacks
Community thinks of WTR
at PeopleAndPicks.com

Aqua America Inc: (NYSE: WTR)

ZACKS RANK: 1-STRONG BUY

\$30.22

0.05 (0.17%)

VOLUME 654,417

MAR 12 04:01 PM ET

#1

Full Company Report

Get Full Company Report for:

Aqua America is the largest publicly-traded U.S.-based water utility serving residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, South Carolina and Kentucky. The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

GENERAL INFORMATION

AQUA AMER INC
 762 W. LANCASTER AVE
 BRYN MAWR, PA 19010-3489
 Phone: 610-527-8000
 Fax: 610-645-1061
 Web: <http://www.aquaamerica.com>
 Email: NA

Industry	UTIL-WATER SPLY
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/08/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	30.17
52 Week High	30.33
52 Week Low	21.52
Beta	0.18
20 Day Moving Average	597,058.50
Target Price Consensus	30.17

% Price Change

4 Week	5.49
12 Week	20.78
YTD	17.58

Share Information

Shares Outstanding (millions)	140.35
Market Capitalization (millions)	4,234.30
Short Ratio	6.60
Last Split Date	12/02/05

EPS INFORMATION

Current Quarter EPS Consensus Estimate	0.26
--	------

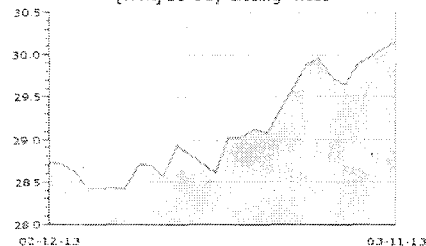
**Is China the World's
Greatest Superpower?**


YES



NO

[WTR] 30-Day Closing Prices



% Price Change Relative to S&P 500

4 Week	2.83
12 Week	11.01
YTD	8.11

Dividend Information

Dividend Yield	2.32%
Annual Dividend	\$0.70
Payout Ratio	0.62
Change in Payout Ratio	NA
Last Dividend Payout / Amount	02/13/2013 / \$0.17

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	2.58
---------------------------------------	------

AdChoices >

Top 12 Stocks to Buy Now

www.TopStockAnaly...

Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAfer...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free Daily Newsletter!

Free Registration
View the Archive

Current Year EPS Consensus Estimate	Subscribe 1.36	30 Days Ago	2.46
Estimated Long-Term EPS Growth Rate	Free Trial 6.90	60 Days Ago	2.46
Next EPS Report Date	Sign In 05/08/2013	90 Days Ago	2.46

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	22.22	vs. Previous Year	20.00%	vs. Previous Year	1.19%
Trailing 12 Months	28.46	vs. Previous Quarter	20.00%	vs. Previous Quarter	-18.55%
PEG Ratio	3.24				
Price Ratios		ROE		ROA	
Price/Book	3.05	12-31-12	13.95	12-31-12	4.07
Price/Cash Flow	15.63	09-30-12	11.59	09-30-12	3.39
Price / Sales	5.59	06-30-12	11.17	06-30-12	3.25
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.95	12-31-12	0.91	12-31-12	24.30
09-30-12	0.73	09-30-12	0.69	09-30-12	19.71
06-30-12	0.69	06-30-12	0.64	06-30-12	19.07
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	25.94	12-31-12	33.12	12-31-12	9.90
09-30-12	21.70	09-30-12	31.98	09-30-12	9.41
06-30-12	20.92	06-30-12	30.88	06-30-12	9.37
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	23.36	12-31-12	1.11	12-31-12	52.70
09-30-12	23.25	09-30-12	1.16	09-30-12	53.61
06-30-12	23.11	06-30-12	1.20	06-30-12	54.65

12% Yield Stocks to Buy

www.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.



AdChoices >

Quick Links**Services**Premium Services
Zacks Rank
Personal Finance
Commentary
Education**My Account**Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium**Resources**Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map**Client Support**Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media**Follow Us**Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.

Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub



Do you own the RIGHT STOCKS? **ANALYZE ANY STOCK FREE!** **BUY** **SELL** **HOLD**

VectorVest

Home Stocks Funds Earnings Screening Finance Portfolio Education Video Services

QUOTES

Overview Quote
Real Time Quotes
Option Chain
Options Greek Montage

NEWS

Zacks Commentary
Company News

ESTIMATES

Detailed Estimates

CHART

Comparative
Interactive Chart
Price and Consensus
12 month EPS
Price & EPS Surprise
Broker Recommendations
Fundamental Charts

RESEARCH

Full Company Report
Zacks Equity Research
Earnings Announcements
Brokerage Reports
Comparison to Industry
Insiders
Brokerage Recommendations
Annual Report

FINANCIALS

Financial Overview
Income Statements
Balance Sheet
Cash flow Statements

Zacks Community
Peopleandpicks.com

Community Rating

How do you rate GAS?

BUY **SELL**

Find out what the Zacks
Community thinks of GAS
at PeopleAndPicks.com

Agil Resources Inc: (NYSE: GAS)

ZACKS RANK: 5-STRONG SELL

\$40.71

-0.32 (-0.78%)

VOLUME 539,299

MAR 12 04:02 PM ET

☐ ☐ ☐ ☐ #5
Full Company Report

Get Full Company Report for: Enter Symbol

Go

AGL Resources principal business is the distribution of natural gas to customers in central, northwest, northeast and southeast Georgia and the Chattanooga, Tennessee area through its natural gas distribution subsidiary. AGL's major service area is the ten county metropolitan Atlanta area.

GENERAL INFORMATION

AGL RESOURCES
TEN PEACHTREE PLACE
ATLANTA, GA 30309
Phone: 4045844000
Fax: 404-584-3714
Web: <http://www.aglresources.com>
Email: scave@aglresources.com

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/07/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	5
Yesterday's Close	41.03
52 Week High	42.37
52 Week Low	36.59
Beta	0.40
20 Day Moving Average	560,373.38
Target Price Consensus	41.40

% Price Change

4 Week	1.86
12 Week	2.37
YTD	2.00

Share Information

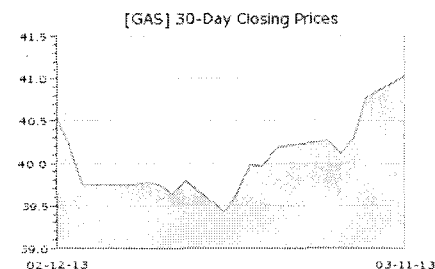
Shares Outstanding (millions)	117.88
Market Capitalization (millions)	4,836.45
Short Ratio	4.00
Last Split Date	12/04/95

EPS INFORMATION

Current Quarter EPS Consensus Estimate	1.38
--	------

Do you own the RIGHT STOCKS? **ANALYZE ANY STOCK FREE!** **BUY** **SELL** **HOLD**

VectorVest

**% Price Change Relative to S&P 500**

4 Week	-0.70
12 Week	-5.91
YTD	-6.22

Dividend Information

Dividend Yield	4.58%
Annual Dividend	\$1.88
Payout Ratio	0.75
Change in Payout Ratio	0.11
Last Dividend Payout / Amount	02/13/2013 / \$0.47

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	2.57
---------------------------------------	------

AdChoices **Top 12 Stocks to Buy Now**

www.TopStockAnaly...
Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAler...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free

Daily Newsletter!

Free Registration

View the Archive

Current Year EPS Consensus Estimate	Subscribe 2.57	30 Days Ago	2.57
Estimated Long-Term EPS Growth Rate	Free Trial 3.50	60 Days Ago	2.53
Next EPS Report Date	05/07/2013	90 Days Ago	2.57

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	15.95	vs. Previous Year	4.60%	vs. Previous Year	54.18%
Trailing 12 Months	16.68	vs. Previous Quarter	911.11%	vs. Previous Quarter	98.37%
PEG Ratio	4.52				
Price Ratios		ROE		ROA	
Price/Book	1.41	12-31-12	8.43	12-31-12	2.13
Price/Cash Flow	6.87	09-30-12	7.63	09-30-12	1.92
Price / Sales	1.23	06-30-12	8.31	06-30-12	2.09
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.80	12-31-12	0.59	12-31-12	7.36
09-30-12	0.77	09-30-12	0.49	09-30-12	7.42
06-30-12	0.76	06-30-12	0.54	06-30-12	7.90
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	6.91	12-31-12	11.47	12-31-12	29.16
09-30-12	5.90	09-30-12	10.48	09-30-12	28.92
06-30-12	6.11	06-30-12	10.87	06-30-12	29.23
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	4.34	12-31-12	0.97	12-31-12	49.20
09-30-12	3.77	09-30-12	0.98	09-30-12	49.49
06-30-12	3.65	06-30-12	0.97	06-30-12	49.30

12% Yield Stocks to Buy

www.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.

AdChoices **Quick Links****Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
LinkedIn
RSS
You Tube

Zacks Research is Reported On:

YAHOO!

msn

MarketWatch

NASDAQ

Forbes

INVESTORS.com

MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.


[Subscribe](#) [Free Trial](#) [Sign In](#)

Sub



Do you own the RIGHT STOCKS?

ANALYZE ANY STOCK FREE

BUY

SELL

HOLD

VectorVest

[Home](#)[Stocks](#)[Funds](#)[Earnings](#)[Screening](#)[Finance](#)[Portfolio](#)[Education](#)[Video](#)[Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

Zacks Community
[Peopleandpicks.com](#)

Community Rating

How do you rate ATO?

Find out what the Zacks
 Community thinks of ATO
 at [PeopleAndPicks.com](#)

Atmos Energy Corp: (NYSE: ATO)

\$41.02

-0.41 (-0.99%)

VOLUME 916,516

MAR 12 04:00 PM ET

ZACKS RANK: 2-BUY

Full Company Report

Get Full Company Report for:

Atmos Energy Corporation distributes and sells natural gas to residential, commercial, industrial, agricultural and other customers. Atmos operates through five divisions in cities, towns and communities in service areas located in Colorado, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Missouri, South Carolina, Tennessee, Texas and Virginia. The Company has entered into an agreement to sell all of its natural gas utility operations in South Carolina. The Company also transports natural gas for others through its distribution system.

GENERAL INFORMATION

ATMOS ENERGY CP
 1800 THREE LINCOLN CTR 5430 LBJ FREEWAY
 DALLAS, TX 75240
 Phone: 972-934-9227
 Fax: 972-855-3040
 Web: <http://www.atmosenergy.com>
 Email: NA

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	September
Last Reported Quarter	12/31/2012
Next EPS Date	05/08/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	41.43
52 Week High	41.50
52 Week Low	30.39
Beta	0.46
20 Day Moving Average	465,250.16
Target Price Consensus	38.80

% Price Change

4 Week	9.43
12 Week	14.42
YTD	16.32

Share Information

Shares Outstanding (millions)	90.46
Market Capitalization (millions)	3,747.84
Short Ratio	2.24
Last Split Date	05/17/94

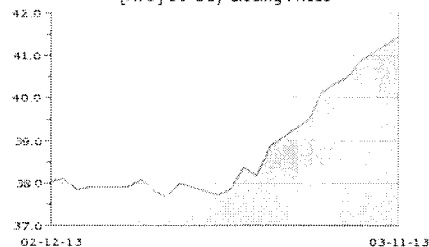
Do you own the RIGHT STOCKS?

ANALYZE ANY STOCK FREE!

BUY SELL HOLD

VectorVest

[ATO] 30-Day Closing Prices



% Price Change Relative to S&P 500

4 Week	6.67
12 Week	5.16
YTD	6.94

Dividend Information

Dividend Yield	3.38%
Annual Dividend	\$1.40
Payout Ratio	0.56
Change in Payout Ratio	-0.07
Last Dividend Payout / Amount	02/28/2013 / \$0.35

AdChoices >

Top 12 Stocks to Buy Now

www.TopStockAnaly...
Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAler...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free Daily Newsletter!

Free Registration
View the Archive

EPS INFORMATION

Subscribe Free Trial Sign Up

CONSENSUS RECOMMENDATIONS

Sub

Current Quarter EPS Consensus Estimate	1.26
Current Year EPS Consensus Estimate	2.49
Estimated Long-Term EPS Growth Rate	6.00
Next EPS Report Date	05/08/2013

Current (1=Strong Buy, 5=Strong Sell)	2.57
30 Days Ago	2.57
60 Days Ago	2.57
90 Days Ago	2.57

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	16.65	vs. Previous Year	21.31%	vs. Previous Year	-4.60%
Trailing 12 Months	16.71	vs. Previous Quarter	428.57%	vs. Previous Quarter	96.90%
PEG Ratio	2.77				
Price Ratios		ROE		ROA	
Price/Book	1.55	12-31-12	9.51	12-31-12	2.99
Price/Cash Flow	7.99	09-30-12	9.15	09-30-12	2.86
Price / Sales	1.11	06-30-12	8.97	06-30-12	2.80
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.71	12-31-12	0.54	12-31-12	6.67
09-30-12	0.65	09-30-12	0.45	09-30-12	6.22
06-30-12	0.70	06-30-12	0.48	06-30-12	5.69
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	6.75	12-31-12	9.26	12-31-12	26.80
09-30-12	6.30	09-30-12	8.45	09-30-12	26.16
06-30-12	5.79	06-30-12	8.41	06-30-12	26.16
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	10.10	12-31-12	0.81	12-31-12	44.66
09-30-12	9.85	09-30-12	0.83	09-30-12	45.33
06-30-12	10.31	06-30-12	0.83	06-30-12	45.38

12% Yield Stocks to Buy These stocks yield 12%, yet most US investors don't know they exist. www.GlobalDividends.com

10 Stocks to Hold Forever Buy them, forget about them, and never sell them. www.StreetAuthority.com

Highest Dividend Stocks Free Insider Advice: Our Must-Own Highest Dividend Stocks of 2013! DividendAlerts.com

Best Dividend Stocks 2013 The 10 Best Dividend Stocks of '13! Sign Up to Access Your Free Report www.dividends.com AdChoices >

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
LinkedIn
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn Market Watch NASDAQ Forbes INVESTORS.com MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit www.zacks.com for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed. [Subscribe](#) [Free Trial](#) [Sign In](#)

[Sub](#)

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


[Home](#)
[Stocks](#)
[Funds](#)
[Earnings](#)
[Screening](#)
[Finance](#)
[Portfolio](#)
[Education](#)
[Video](#)
[Services](#)

QUOTES

Overview Quote
Real Time Quotes
Option Chain
Options Greek Montage

NEWS

Zacks Commentary
Company News

ESTIMATES

Detailed Estimates

CHART

Comparative
Interactive Chart
Price and Consensus
12 month EPS
Price & EPS Surprise
Broker Recommendations
Fundamental Charts

RESEARCH

Full Company Report
Zacks Equity Research
Earnings Announcements
Brokerage Reports
Comparison to Industry
Insiders
Brokerage Recommendations
Annual Report

FINANCIALS

Financial Overview
Income Statements
Balance Sheet
Cash flow Statements

Zacks Community
Peopleandpicks.com

Community Rating ⓘ

How do you rate LG?

BUY **SELL**

Find out what the Zacks
Community thinks of LG at
PeopleAndPicks.com

Laclede Group Inc: (NYSE: LG)**\$40.85** -0.33 (-0.80%) **VOLUME 53,076**

MAR 12 04:02 PM ET

ZACKS RANK: 1-STRONG BUY ⓘ

#1 ☐ ☐ ☐ ☐**Full Company Report**

Get Full Company Report for: Enter Symbol

GO

The Laclede Group, Inc. is a public utility engaged in the retail distribution and transportation of natural gas. The Company, which is subject to the jurisdiction of the Missouri Public Service Commission, serves the City of St. Louis, St. Louis County, the City of St. Charles, St. Charles County, the town of Arnold, and parts of Franklin, Jefferson, St. Francois, Ste. Genevieve, Iron, Madison and Butler Counties, all in Missouri.

GENERAL INFORMATION

LACLEDE GRP INC
720 OLIVE ST
ST LOUIS, MO 63101
Phone: 3143420500
Fax: 314-421-1979
Web: <http://www.thelacledegroupp.com>
Email: mkullman@lacledegas.com

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	September
Last Reported Quarter	12/31/2012
Next EPS Date	04/26/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	1.8
Yesterday's Close	41.18
52 Week High	44.04
52 Week Low	36.53
Beta	0.07
20 Day Moving Average	106,809.80
Target Price Consensus	42.50

% Price Change

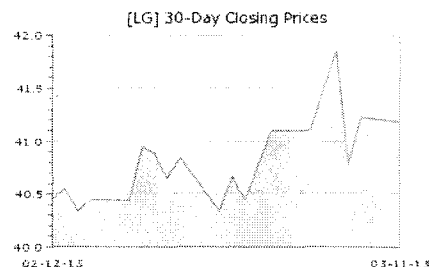
4 Week	1.50
12 Week	5.32
YTD	6.79

Share Information

Shares Outstanding (millions)	22.57
Market Capitalization (millions)	929.56
Short Ratio	14.74
Last Split Date	03/08/94

EPS INFORMATION

Current Quarter EPS Consensus Estimate	1.43
--	-------------

**% Price Change Relative to S&P 500**

4 Week	-1.05
12 Week	-3.20
YTD	-1.82

Dividend Information

Dividend Yield	4.13%
Annual Dividend	\$1.70
Payout Ratio	0.58
Change in Payout Ratio	-0.01
Last Dividend Payout / Amount	03/07/2013 / \$0.43

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	3.00
---------------------------------------	-------------

AdChoices ▶

Top 12 Stocks to Buy Now

www.TopStockAnaly...

Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAler...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free

Daily Newsletter!

Free Registration

View the Archive

Current Year EPS Consensus Estimate	Subscribe	2.78	30 Days Ago	3.00
Estimated Long-Term EPS Growth Rate		3.00	60 Days Ago	3.08
Next EPS Report Date		04/26/2013	90 Days Ago	3.00

FUNDAMENTAL RATIOS

P/E	EPS Growth	Sales Growth
Current FY Estimate	vs. Previous Year	vs. Previous Year
14.80	12.61%	-25.29%
Trailing 12 Months	vs. Previous Quarter	vs. Previous Quarter
14.01	6,150.00%	81.08%
PEG Ratio		
4.93		
Price Ratios	ROE	ROA
Price/Book	12-31-12	12-31-12
1.49	10.77	3.60
Price/Cash Flow	09-30-12	09-30-12
8.92	10.36	3.45
Price / Sales	06-30-12	06-30-12
0.91	9.89	3.30
Current Ratio	Quick Ratio	Operating Margin
12-31-12	12-31-12	12-31-12
1.45	1.08	6.45
09-30-12	09-30-12	09-30-12
1.36	0.94	5.57
06-30-12	06-30-12	06-30-12
1.46	1.07	4.81
Net Margin	Pre-Tax Margin	Book Value
12-31-12	12-31-12	12-31-12
6.17	8.55	27.56
09-30-12	09-30-12	09-30-12
5.57	7.90	26.73
06-30-12	06-30-12	06-30-12
4.93	7.09	27.18
Inventory Turnover	Debt-to-Equity	Debt to Capital
12-31-12	12-31-12	12-31-12
7.66	0.59	36.99
09-30-12	09-30-12	09-30-12
8.28	0.56	36.07
06-30-12	06-30-12	06-30-12
8.85	0.56	35.71

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
LinkedIn
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn MarketWatch NASDAQ Forbes INVESTORS.com MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**Is China the World's
Greatest Superpower?**

YES



NO


[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)
Zacks Community
Peopleandpicks.com

Community Rating

How do you rate NJR?

 Find out what the Zacks
 Community thinks of NJR
 at PeopleAndPicks.com

New Jersey Resources Corp: (NYSE: NJR)

ZACKS RANK: 3-HOLD

\$44.95

-0.32 (-0.71%)

VOLUME 166,188

MAR 12 04:01 PM ET

Full Company Report

Get Full Company Report for:

NJ RESOURCES is an exempt energy svcs holding company providing retail & wholesale natural gas & related energy services to customers from the Gulf Coast to New England. Subsidiaries include: (1) N J Natural Gas Co, a natural gas distribution company that provides regulated energy & appliance services to residential, commercial & industrial customers in central & northern N J. (2) NJR Energy Holdings Corp formerly NJR Energy Svcs Corp & (3) NJR Development Corp, a sub-holding company of NJR, which includes the Company's remaining unregulated operating subsidiaries.

GENERAL INFORMATION

NJ RESOURCES
 1415 WYCKOFF RD PO BOX 1468
 WALL, NJ 07719
 Phone: 9089381494
 Fax: 732-938-3154
 Web: <http://www.njresources.com>
 Email: dpuma@njresources.com

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	September
Last Reported Quarter	12/31/2012
Next EPS Date	05/09/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	45.27
52 Week High	47.53
52 Week Low	38.51
Beta	0.22
20 Day Moving Average	216,621.66
Target Price Consensus	44.40

% Price Change

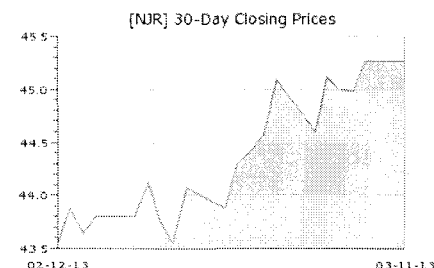
4 Week	5.92
12 Week	11.20
YTD	14.26

Share Information

Shares Outstanding (millions)	41.81
Market Capitalization (millions)	1,892.74
Short Ratio	8.57
Last Split Date	03/04/08

Do you own the
RIGHT STOCKS?

**ANALYZE ANY
STOCK FREE!**



% Price Change Relative to S&P 500

4 Week	3.25
12 Week	2.21
YTD	5.05

Dividend Information

Dividend Yield	3.53%
Annual Dividend	\$1.60
Payout Ratio	0.65
Change in Payout Ratio	0.09
Last Dividend Payout / Amount	12/12/2012 / \$0.40

AdChoices

Top 12 Stocks to Buy Now

www.TopStockAnaly...

Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAler...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free Daily Newsletter!

Free Registration
View the Archive

EPS INFORMATION

Subscribe

Free Trial

CONSENSUS RECOMMENDATIONS

Sub

Current Quarter EPS Consensus Estimate	1.49
Current Year EPS Consensus Estimate	2.60
Estimated Long-Term EPS Growth Rate	4.00
Next EPS Report Date	05/09/2013

Current (1=Strong Buy, 5=Strong Sell)	2.86
30 Days Ago	2.86
60 Days Ago	3.14
90 Days Ago	3.14

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	17.41	vs. Previous Year	-22.02%	vs. Previous Year	14.57%
Trailing 12 Months	18.33	vs. Previous Quarter	414.81%	vs. Previous Quarter	29.47%
PEG Ratio	4.35				
Price Ratios		ROE		ROA	
Price/Book	2.19	12-31-12	12.16	12-31-12	3.71
Price/Cash Flow	12.22	09-30-12	13.49	09-30-12	4.10
Price / Sales	0.81	06-30-12	15.08	06-30-12	4.58
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.97	12-31-12	0.56	12-31-12	4.38
09-30-12	0.99	09-30-12	0.57	09-30-12	5.00
06-30-12	0.99	06-30-12	0.65	06-30-12	5.28
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	4.09	12-31-12	4.31	12-31-12	20.70
09-30-12	4.13	09-30-12	4.00	09-30-12	19.57
06-30-12	4.00	06-30-12	3.76	06-30-12	20.12
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	8.29	12-31-12	0.61	12-31-12	38.04
09-30-12	8.22	09-30-12	0.65	09-30-12	39.22
06-30-12	8.41	06-30-12	0.51	06-30-12	33.86

12% Yield Stocks to Buy

www.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.



AdChoices

Quick Links

Services

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
LinkedIn
RSS
You Tube

Zacks Research is Reported On:



Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed. [Subscribe](#) [Free Trial](#) [Sign In](#)

[Sub](#)

[Subscribe](#) [Free Trial](#) [Sign In](#)

Sub


**ANALYZE ANY STOCK
FREE!**
**DO YOU OWN THE
RIGHT
STOCKS?**

[CLICK HERE!](#)

[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

AdChoices

**12% Yield Stocks
to Buy**
[www.GlobesDividend.com](#)

These stocks yield 12%, yet most US investors don't know they exist.

**#1 Stock to Buy
Right Now**
[www.DailyTradeAlert.com](#)

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's **Free Daily Newsletter!**

[Free Registration](#)
Northwest Natural Gas: (NYSE: NWN)**\$43.60**

-0.60 (-1.36%)

VOLUME 207,816**MAR 12 04:06 PM ET**

ZACKS RANK: 4-SELL

Full Company ReportGet Full Company Report for: [GO](#)

NW Natural is principally engaged in the distribution of natural gas. The Oregon Public Utility Commission (OPUC) has allocated to NW Natural as its exclusive service area a major portion of western Oregon, including the Portland metropolitan area, most of the fertile Willamette Valley and the coastal area from Astoria to Coos Bay. NW Natural also holds certificates from the Washington Utilities and Transportation Commission (WUTC) granting it exclusive rights to serve portions of three Washington counties bordering the Columbia River.

GENERAL INFORMATION

NORTHWEST NAT G
 ONE PACIFIC SQUARE 220 NW SECOND AVE
 PORTLAND, OR 97209
 Phone: 5032264211
 Fax: 503-273-4824
 Web: <http://www.nwnatural.com>
 Email: c4l@nwnatural.com

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/10/2013

PRICE AND VOLUME INFORMATION

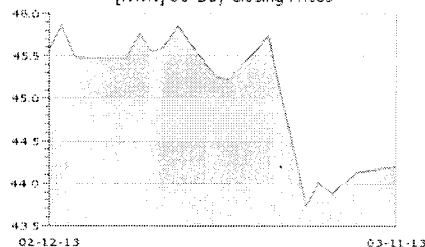
Zacks Rank	4-2
Yesterday's Close	44.20
52 Week High	50.80
52 Week Low	41.01
Beta	0.24
20 Day Moving Average	122,301.00
Target Price Consensus	45.50

% Price Change

4 Week	-2.77
12 Week	-0.76
YTD	-0.16

Share Information

Shares Outstanding (millions)	26.92
Market Capitalization (millions)	1,189.73
Short Ratio	18.56
Last Split Date	09/09/96

**Is China the World's
Greatest Superpower?****YES****NO****[NWN] 30-Day Closing Prices****% Price Change Relative to S&P 500**

4 Week	-5.22
12 Week	-8.79
YTD	-8.20

Dividend Information

Dividend Yield	4.12%
Annual Dividend	\$1.82
Payout Ratio	0.78
Change in Payout Ratio	0.15
Last Dividend Payout / Amount	01/29/2013 / \$0.46

[View the Archive](#)**EPS INFORMATION**[Subscribe](#)[Free Trial](#)[Sign In](#)**CONSENSUS RECOMMENDATIONS**[Sub](#)

Current Quarter EPS Consensus Estimate	1.47
Current Year EPS Consensus Estimate	2.28
Estimated Long-Term EPS Growth Rate	3.80
Next EPS Report Date	05/10/2013

Current (1=Strong Buy, 5=Strong Sell)	3.38
30 Days Ago	3.13
60 Days Ago	3.13
90 Days Ago	3.13

FUNDAMENTAL RATIOS**P/E**

Current FY Estimate	19.43
Trailing 12 Months	19.05
PEG Ratio	5.07

EPS Growth

vs. Previous Year	-3.67%
vs. Previous Quarter	462.07%

Sales Growth

vs. Previous Year	-15.38%
vs. Previous Quarter	155.67%

Price Ratios

Price/Book	1.62
Price/Cash Flow	8.76
Price / Sales	1.60

ROE

12-31-12	8.53
09-30-12	8.70
06-30-12	8.70

ROA

12-31-12	2.30
09-30-12	2.35
06-30-12	2.36

Current Ratio

12-31-12	0.77
09-30-12	0.57
06-30-12	0.71

Quick Ratio

12-31-12	0.59
09-30-12	0.36
06-30-12	0.45

Operating Margin

12-31-12	8.42
09-30-12	8.08
06-30-12	7.98

Net Margin

12-31-12	8.05
09-30-12	7.73
06-30-12	7.98

Pre-Tax Margin

12-31-12	14.23
09-30-12	13.55
06-30-12	13.43

Book Value

12-31-12	27.28
09-30-12	26.74
06-30-12	27.52

Inventory Turnover

12-31-12	7.15
09-30-12	7.45
06-30-12	7.25

Debt-to-Equity

12-31-12	0.94
09-30-12	0.89
06-30-12	0.87

Debt to Capital

12-31-12	48.55
09-30-12	47.21
06-30-12	46.53



Get a New
Lease on Light

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

YAHOO!

msn

Market Watch

NASDAQ

Forbes

INVESTORS.com

MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit [performance](#) for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

[Subscribe](#)

[Free Trial](#)

[Sign In](#)

[Sub](#)

[Subscribe](#) [Free Trial](#) [Sign In](#)

Sub



INTRODUCING THE NEW
SCHWAB GLOBAL ACCOUNT™
TRADE COMMISSION-FREE THROUGH MARCH 2013

TRADE DIRECTLY ONLINE THROUGH SCHWAB

- 12 markets using their local currencies
- 24/7 help & support
- World-class research

OPEN AN ACCOUNT

CHARLES SCHWAB

OPEN AN ACCOUNT

[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

Zacks Community
[Peopleandpicks.com](#)

Community Rating

How do you rate PNY?

[BUY](#) [SELL](#)

Find out what the Zacks
 Community thinks of PNY
 at [PeopleAndPicks.com](#)

Piedmont Natural Gas Co Inc: (NYSE: PNY)

ZACKS RANK: 3-HOLD

\$33.28

-0.11 (-0.33%)

VOLUME 183,304

MAR 12 04:03 PM ET

Full Company Report

 Get Full Company Report for: [GO](#)

Piedmont Natural Gas Co, Inc., is an energy and services company engaged in the transportation and sale of natural gas and the sale of propane to residential, commercial and industrial customers in North Carolina, South Carolina and Tennessee. The Company is the second-largest natural gas utility in the southeast. The Company and its non-utility subsidiaries and divisions are also engaged in acquiring, marketing and arranging for the transportation and storage of natural gas for large-volume purchasers, and in the sale of propane to customers in the Company's three-state service area.

GENERAL INFORMATION

PIEDMONT NAT GA
 4720 PIEDMONT ROW DR
 CHARLOTTE, NC 28233
 Phone: 7043643120
 Fax: 704-365-3849
 Web: <http://www.piedmontng.com>
 Email: investorrelations@piedmontng.com

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	October
Last Reported Quarter	01/31/2013
Next EPS Date	06/06/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	33.39
52 Week High	33.72
52 Week Low	28.51
Beta	0.28
20 Day Moving Average	300,030.41
Target Price Consensus	31.80

% Price Change

4 Week	4.02
12 Week	3.86
YTD	6.25

Share Information

Shares Outstanding (millions)	72.50
Market Capitalization (millions)	2,420.91
Short Ratio	5.95
Last Split Date	11/01/04

INTRODUCING THE NEW
SCHWAB GLOBAL ACCOUNT™
TRADE COMMISSION-FREE THROUGH MARCH 2013

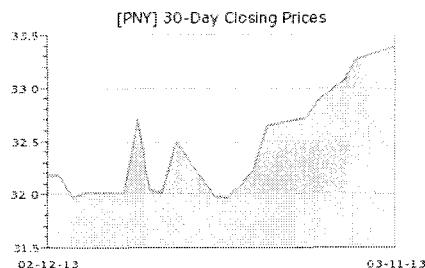
TRADE DIRECTLY ONLINE THROUGH SCHWAB

- 12 markets using their local currencies
- 24/7 help & support
- World-class research

OPEN AN ACCOUNT

CHARLES SCHWAB

OPEN AN ACCOUNT



% Price Change Relative to S&P 500

4 Week	1.40
12 Week	-4.54
YTD	-2.30

Dividend Information

Dividend Yield	3.59%
Annual Dividend	\$1.20
Payout Ratio	0.67
Change in Payout Ratio	-0.04
Last Dividend Payout / Amount	12/20/2012 / \$0.30

AdChoices >

Top 12 Stocks to Buy Now

www.TopStockAnaly...

Panel of nation's leading analysts just announced their favorite picks

#1 Stock to Buy Right Now

www.DailyTradeAler...

Here's a recommendation that several top analysts agree on

Profit from the Pros

Get profitable stock picks and timely market advice in Zacks.com's Free

Daily Newsletter!

Free Registration

View the Archive

EPS INFORMATION

Subscribe

Free Trial

CONSENSUS RECOMMENDATIONS

Sub

Current Quarter EPS Consensus Estimate	0.74
Current Year EPS Consensus Estimate	1.74
Estimated Long-Term EPS Growth Rate	3.70
Next EPS Report Date	06/06/2013

Current (1=Strong Buy, 5=Strong Sell)	3.00
30 Days Ago	3.00
60 Days Ago	3.00
90 Days Ago	3.14

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	19.22	vs. Previous Year	12.38%	vs. Previous Year	9.33%
Trailing 12 Months	18.65	vs. Previous Quarter	4,033.33%	vs. Previous Quarter	184.41%
PEG Ratio	5.15				
Price Ratios		ROE		ROA	
Price/Book	2.20	01-31-13	12.23	01-31-13	3.50
Price/Cash Flow	10.52	10-31-12	11.51	10-31-12	3.37
Price / Sales	2.07	07-31-12	10.85	07-31-12	3.28
Current Ratio		Quick Ratio		Operating Margin	
01-31-13	0.51	01-31-13	0.42	01-31-13	11.10
10-31-12	0.52	10-31-12	0.39	10-31-12	10.67
07-31-12	0.73	07-31-12	0.54	07-31-12	9.90
Net Margin		Pre-Tax Margin		Book Value	
01-31-13	11.10	01-31-13	17.84	01-31-13	15.15
10-31-12	10.67	10-31-12	17.64	10-31-12	14.25
07-31-12	9.90	07-31-12	12.13	07-31-12	14.53
Inventory Turnover		Debt-to-Equity		Debt to Capital	
01-31-13	10.92	01-31-13	0.80	01-31-13	44.33
10-31-12	9.65	10-31-12	0.95	10-31-12	48.70
07-31-12	9.31	07-31-12	0.93	07-31-12	48.27



Programmatic Accreditation

ACBSP ACCREDITED

Business Administration Degrees



Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn MarketWatch NASDAQ Forbes INVESTORS.com MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

OZTF!boefBNFY!ebubjt!burhbt u31!n jovuf t!ef ruzf e/OBTEBR!ebubjt!burhbt u26!n jovuf t!ef ruzf e/Gf f!Uqbm Tjho!b

Hf dRvpd!psTf badi !Lfzx pse

Tvc

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**Is China the World's
Greatest Superpower?**

YES



NO


[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

AdChoices

**#1 Stock to Buy
Right Now**
[www.DailyTradeAlert.com](#)
 Here's a
 recommendation that
 several top analysts
 agree on

**12% Yield Stocks
to Buy**
[www.GlobalDividend.com](#)
 These stocks yield
 12%, yet most US
 investors don't know
 they exist.

Profit from the Pros

Get profitable stock picks
 and timely market advice
 in Zacks.com's Free
Daily Newsletter!

[Free Registration](#)
South Jersey Industries Inc: (NYSE: SJI)
\$55.41 -0.40 (-0.72%) **VOLUME 105,956** **MAR 12 04:02 PM ET**

ZACKS RANK: 3-HOLD

☐ ☐ ☒ #3 ☐ ☐
Full Company Report

Get Full Company Report for: Enter Symbol

GO

South Jersey Inds Inc. is engaged in the business of operating, through subsidiaries, various business enterprises. The company's most significant subsidiary is South Jersey Gas Company (SJG). SJG is a public utility company engaged in the purchase, transmission and sale of natural gas for residential, commercial and industrial use. SJG also makes off-system sales of natural gas on a wholesale basis to various customers on the interstate pipeline system and transports natural gas.

GENERAL INFORMATION

SOUTH JERSEY IN
 1 SOUTH JERSEY PLAZA ROUTE 54
 FOLSOM, NJ 08037
 Phone: 609-561-9000
 Fax: 609-561-8225
 Web: <http://www.sjindustries.com>
 Email: NA

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/10/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	55.81
52 Week High	56.21
52 Week Low	45.81
Beta	0.31
20 Day Moving Average	77,957.00
Target Price Consensus	61.00

% Price Change

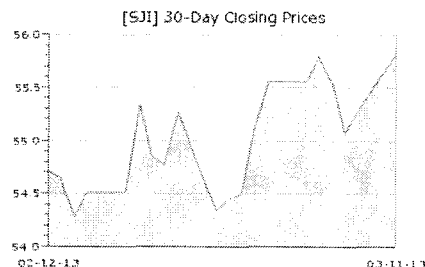
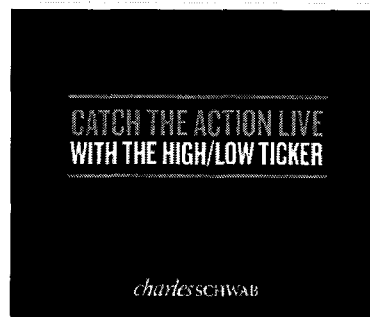
4 Week	2.31
12 Week	8.69
YTD	9.84

Share Information

Shares Outstanding (millions)	31.75
Market Capitalization (millions)	1,771.69
Short Ratio	8.56
Last Split Date	07/01/05

EPS INFORMATION

Current Quarter EPS Consensus Estimate	1.77
--	------


% Price Change Relative to S&P 500

4 Week	-0.27
12 Week	-0.10
YTD	0.98

Dividend Information

Dividend Yield	3.17%
Annual Dividend	\$1.77
Payout Ratio	0.58
Change in Payout Ratio	0.06
Last Dividend Payout / Amount	03/07/2013 / \$0.44

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	1.50
---------------------------------------	------

[View the Archive](#)

Current Year EPS Consensus Estimate	Subscribe 3.38	30 Days Ago	Get Quote or Search Keyword 1.50
Estimated Long-Term EPS Growth Rate	6.00	60 Days Ago	1.58
Next EPS Report Date	05/10/2013	90 Days Ago	1.50

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	16.51	vs. Previous Year	-6.67%	vs. Previous Year	-0.49%
Trailing 12 Months	18.36	vs. Previous Quarter	653.85%	vs. Previous Quarter	76.43%
PEG Ratio	2.75				
Price Ratios		ROE		ROA	
Price/Book	2.37	12-31-12	13.46	12-31-12	3.88
Price/Cash Flow	11.76	09-30-12	14.21	09-30-12	4.09
Price / Sales	2.51	06-30-12	14.20	06-30-12	4.08
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.61	12-31-12	0.52	12-31-12	13.21
09-30-12	0.59	09-30-12	0.47	09-30-12	13.36
06-30-12	0.57	06-30-12	0.47	06-30-12	12.40
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	12.97	12-31-12	14.44	12-31-12	23.55
09-30-12	14.61	09-30-12	16.58	09-30-12	22.54
06-30-12	13.12	06-30-12	14.75	06-30-12	22.13
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	9.81	12-31-12	0.82	12-31-12	44.96
09-30-12	9.00	09-30-12	0.81	09-30-12	44.87
06-30-12	9.06	06-30-12	0.80	06-30-12	44.59

Imagine if there were a personal

BMO  Harris Bank**Quick Links****Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

YAHOO! msn  MarketWatch NASDAQ Forbes INVESTORS.com  MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit performance for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.

Subscribe Free Trial Sign In

Get Quote or Search Keyword

Sub


**ANALYZE ANY STOCK
FREE!**
**DO YOU OWN THE
RIGHT
STOCKS?**

CLICK HERE!
VectorVest

Home Stocks Funds Earnings Screening Finance Portfolio Education Video Services

QUOTES

Overview Quote
Real Time Quotes
Option Chain
Options Greek Montage

NEWS

Zacks Commentary
Company News

ESTIMATES

Detailed Estimates

CHART

Comparative
Interactive Chart
Price and Consensus
12 month EPS
Price & EPS Surprise
Broker Recommendations
Fundamental Charts

RESEARCH

Full Company Report
Zacks Equity Research
Earnings Announcements
Brokerage Reports
Comparison to Industry
Insiders
Brokerage Recommendations
Annual Report

FINANCIALS

Financial Overview
Income Statements
Balance Sheet
Cash flow Statements

AdChoices [D]

**#1 Stock to Buy
Right Now**
www.DailyTradeAlert...
Here's a
recommendation that
several top analysts
agree on

**12% Yield Stocks
to Buy**
www.GlobalDividend...
These stocks yield
12%, yet most US
investors don't know
they exist.

Profit from the Pros

Get profitable stock picks
and timely market advice
in Zacks.com's **Free
Daily Newsletter!**
Free Registration

Southwest Gas Corp: (NYSE: SWX)

\$46.72

-0.38 (-0.81%)

VOLUME 120,658

MAR 12 04:01 PM ET

ZACKS RANK: 2-BUY

☐ #1 ☒ #2 ☐ #3 ☐ #4

Full Company Report

Get Full Company Report for: Enter Symbol

GO

SOUTHWEST GAS CORP. is principally engaged in the business of purchasing, transporting, and distributing natural gas in portions of Arizona, Nevada, and California. The Company also engaged in financial services activities, through PriMerit Bank, Federal Savings Bank (PriMerit or the Bank), a wholly owned subsidiary.

GENERAL INFORMATION

SOUTHWEST GAS
5241 SPRING MOUNTAIN RD PO BOX 98510
LAS VEGAS, NV 89193-8510
Phone: 7028767237
Fax: 702-876-7037
Web: http://www.swgas.com
Email: NA

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	December
Last Reported Quarter	12/31/2012
Next EPS Date	05/10/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	47.10
52 Week High	47.29
52 Week Low	39.01
Beta	0.67
20 Day Moving Average	124,331.90
Target Price Consensus	46.83

% Price Change

4 Week	5.04
12 Week	11.90
YTD	10.54

Share Information

Shares Outstanding (millions)	46.29
Market Capitalization (millions)	2,180.50
Short Ratio	6.11
Last Split Date	NA

EPS INFORMATION

Current Quarter EPS Consensus Estimate	1.65
--	------

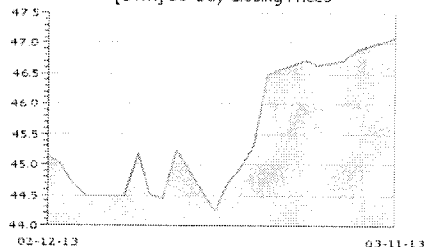
Do you own the
RIGHT STOCKS?

**ANALYZE ANY
STOCK FREE!**

BUY SELL HOLD

VectorVest

[SWX] 30-Day Closing Prices



% Price Change Relative to S&P 500

4 Week	2.39
12 Week	2.85
YTD	1.63

Dividend Information

Dividend Yield	2.51%
Annual Dividend	\$1.18
Payout Ratio	0.40
Change in Payout Ratio	-0.06
Last Dividend Payout / Amount	02/13/2013 / \$0.29

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	2.38
---------------------------------------	------

[View the Archive](#)

Current Year EPS Consensus Estimate	Subscribe	2.87	30 Days Ago	2.38
Estimated Long-Term EPS Growth Rate		4.90	60 Days Ago	2.38
Next EPS Report Date		05/10/2013	90 Days Ago	2.38

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	16.40	vs. Previous Year	0.84%	vs. Previous Year	-5.62%
Trailing 12 Months	15.91	vs. Previous Quarter	3,100.00%	vs. Previous Quarter	31.41%
PEG Ratio	3.38				
Price Ratios		ROE		ROA	
Price/Book	1.66	12-31-12	10.68	12-31-12	3.16
Price/Cash Flow	6.58	09-30-12	10.82	09-30-12	3.18
Price / Sales	1.13	06-30-12	10.43	06-30-12	3.08
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	0.86	12-31-12	0.86	12-31-12	7.13
09-30-12	0.75	09-30-12	0.75	09-30-12	7.00
06-30-12	0.76	06-30-12	0.76	06-30-12	6.71
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	6.92	12-31-12	10.78	12-31-12	28.36
09-30-12	6.45	09-30-12	9.99	09-30-12	27.42
06-30-12	5.93	06-30-12	9.28	06-30-12	27.77
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	NA	12-31-12	0.97	12-31-12	49.22
09-30-12	NA	09-30-12	0.99	09-30-12	49.82
06-30-12	NA	06-30-12	0.94	06-30-12	48.44

Highest Dividend Stocks

DividendAlerts.com

Free Insider Advice: Our Must-Own Highest Dividend Stocks of 2013!



AdChoices

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
Linkedin
RSS
You Tube

Zacks Research is Reported On:

YAHOO!

msn

MarketWatch

NASDAQ

Forbes

INVESTORS.com

MORNINGSTAR

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.

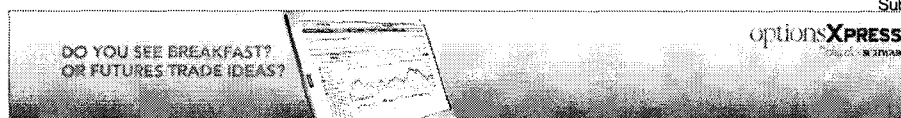


Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit [performance](#) for information about the performance numbers displayed above.

NYSE and AMEX data is at least 20 minutes delayed. NASDAQ data is at least 15 minutes delayed.


[Subscribe](#) [Free Trial](#) [Sign In](#)
[Get Quote or Search Keyword](#)
[Sub](#)

[Home](#) [Stocks](#) [Funds](#) [Earnings](#) [Screening](#) [Finance](#) [Portfolio](#) [Education](#) [Video](#) [Services](#)

QUOTES

[Overview Quote](#)
[Real Time Quotes](#)
[Option Chain](#)
[Options Greek Montage](#)

NEWS

[Zacks Commentary](#)
[Company News](#)

ESTIMATES

[Detailed Estimates](#)

CHART

[Comparative](#)
[Interactive Chart](#)
[Price and Consensus](#)
[12 month EPS](#)
[Price & EPS Surprise](#)
[Broker Recommendations](#)
[Fundamental Charts](#)

RESEARCH

[Full Company Report](#)
[Zacks Equity Research](#)
[Earnings Announcements](#)
[Brokerage Reports](#)
[Comparison to Industry](#)
[Insiders](#)
[Brokerage Recommendations](#)
[Annual Report](#)

FINANCIALS

[Financial Overview](#)
[Income Statements](#)
[Balance Sheet](#)
[Cash flow Statements](#)

AdChoices [D]

[Top 12 Stocks to Buy Now](#)

www.TopStockAnalyst.com
 Panel of nation's leading analysts just announced their favorite picks

[#1 Stock to Buy Right Now](#)

www.DailyTradeAlert.com
 Here's a recommendation that several top analysts agree on

[Profit from the Pros](#)

Get profitable stock picks and timely market advice in Zacks.com's **Free Daily Newsletter!**
[Free Registration](#)

Wgl Holdings Inc: (NYSE: WGL)
\$43.44

0.18 (0.42%)

VOLUME 237,394**MAR 12 04:02 PM ET**

ZACKS RANK: 2-BUY

Full Company Report

 Get Full Company Report for:

GO

WASHINGTON GAS LIGHT CO is a public utility that delivers and sells natural gas to metropolitan Washington, D.C. and adjoining areas in Maryland and Virginia. A distribution subsidiary serves portions of Virginia and West Virginia. The Company has four wholly-owned active subsidiaries that include: Shenandoah Gas Company (Shenandoah) is engaged in the delivery and sale of natural gas at retail in the Shenandoah Valley, including Winchester, Middletown, Strasburg, Stephens City and New Market, Virginia, and Martinsburg, West Virginia.

GENERAL INFORMATION

WGL HLDGS INC
 101 CONSTITUTION AVE N.W.
 WASHINGTON, DC 20080
 Phone: 2026246011
 Fax: 703-750-4828
 Web: <http://www.wglholdings.com>
 Email: robertdennis@washgas.com

Industry	UTIL-GAS DISTR
Sector	Utilities
Fiscal Year End	September
Last Reported Quarter	12/31/2012
Next EPS Date	05/08/2013

PRICE AND VOLUME INFORMATION

Zacks Rank	
Yesterday's Close	43.26
52 Week High	43.47
52 Week Low	35.96
Beta	0.22
20 Day Moving Average	202,146.30
Target Price Consensus	42.17

% Price Change

4 Week	2.68
12 Week	8.99
YTD	9.70

Share Information

Shares Outstanding (millions)	51.67
Market Capitalization (millions)	2,235.16
Short Ratio	4.14
Last Split Date	05/02/95

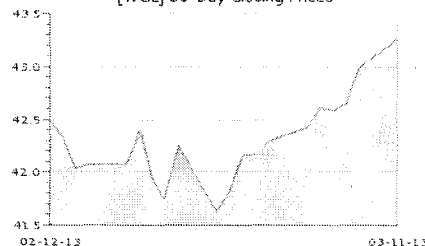
Do you own the RIGHT STOCKS?

ANALYZE ANY STOCK FREE!

BUY SELL HOLD

VectorVest

[WGL] 30-Day Closing Prices


% Price Change Relative to S&P 500

4 Week	0.10
12 Week	0.18
YTD	0.86

Dividend Information

Dividend Yield	3.70%
Annual Dividend	\$1.60
Payout Ratio	0.59
Change in Payout Ratio	-0.02
Last Dividend Payout / Amount	01/08/2013 / \$0.40

[View the Archive](#)**EPS INFORMATION**[Subscribe](#) [Free Trial](#) [Sign Up](#) [Get Quotes](#) [Market Reports](#)

Current Quarter EPS Consensus Estimate	1.53
Current Year EPS Consensus Estimate	2.44
Estimated Long-Term EPS Growth Rate	5.30
Next EPS Report Date	05/08/2013

CONSENSUS RECOMMENDATIONS

Current (1=Strong Buy, 5=Strong Sell)	3.00
30 Days Ago	3.00
60 Days Ago	2.43
90 Days Ago	2.43

FUNDAMENTAL RATIOS

P/E		EPS Growth		Sales Growth	
Current FY Estimate	17.70	vs. Previous Year	0.88%	vs. Previous Year	-5.64%
Trailing 12 Months	16.02	vs. Previous Quarter	1,240.00%	vs. Previous Quarter	63.59%
PEG Ratio	3.37				
Price Ratios		ROE		ROA	
Price/Book	1.71	12-31-12	10.84	12-31-12	3.39
Price/Cash Flow	9.43	09-30-12	10.95	09-30-12	3.42
Price / Sales	0.94	06-30-12	10.42	06-30-12	3.27
Current Ratio		Quick Ratio		Operating Margin	
12-31-12	1.04	12-31-12	0.73	12-31-12	5.85
09-30-12	1.10	09-30-12	0.69	09-30-12	5.73
06-30-12	1.35	06-30-12	0.89	06-30-12	5.32
Net Margin		Pre-Tax Margin		Book Value	
12-31-12	6.00	12-31-12	9.87	12-31-12	25.24
09-30-12	5.82	09-30-12	9.67	09-30-12	24.62
06-30-12	4.19	06-30-12	7.63	06-30-12	24.87
Inventory Turnover		Debt-to-Equity		Debt to Capital	
12-31-12	7.00	12-31-12	0.42	12-31-12	29.38
09-30-12	6.89	09-30-12	0.46	09-30-12	31.23
06-30-12	7.09	06-30-12	0.46	06-30-12	30.98

12% Yield Stocks to Buywww.GlobalDividends.com

These stocks yield 12%, yet most US investors don't know they exist.



AdChoices

Quick Links**Services**

Premium Services
Zacks Rank
Personal Finance
Commentary
Education

My Account

Manage Account
Update Profile
Subscriptions
Preferences
Login/Password Help
Upgrade to Premium

Resources

Help
FAQs
Disclosure
Privacy Policy
Performance
Site Map

Client Support

Contact Us
Share Feedback
About Zacks
Careers
Advertise
Media

Follow Us

Facebook
Twitter
LinkedIn
RSS
You Tube

Zacks Research is Reported On:

YAHOO!**msn****MarketWatch****NASDAQ****Forbes****INVESTORS.com****MORNINGSTAR**

Zacks Investment Research
is an A+ Rated BBB
Accredited Business.



Copyright 2013 Zacks Investment Research

At the center of everything we do is a strong commitment to independent research and sharing its profitable discoveries with investors. This dedication to giving investors a trading advantage led to the creation of our proven Zacks Rank stock-rating system. Since 1986 it has nearly tripled the S&P 500 with an average gain of +26% per year. These returns cover a period from 1986-2011 and were examined and attested by Baker Tilly, an independent accounting firm.

Visit [performance](#) for information about the performance numbers displayed above.

OZTF!boe!BNFY!ebubjt!burhbt u31!n jovd t!ef itzf e!/OBTEBR!ebubjt!burhbt u26!n jovd t!ef itzf e!cf G&f !Ujbm Tjho!b

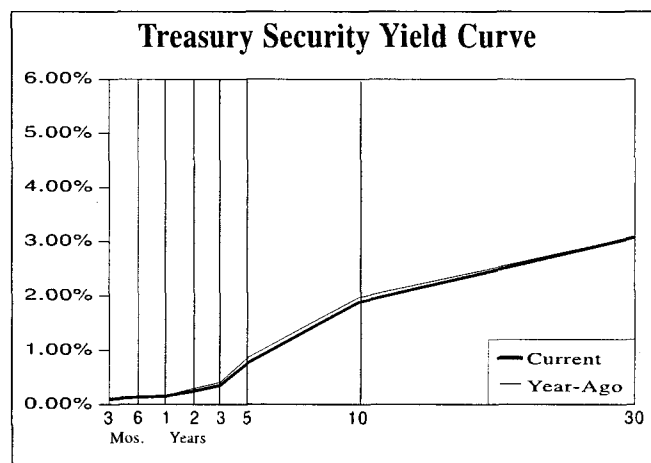
Hf uRvpd!psTf bsd! !Lf zxpse

Tvc

ATTACHMENT D

Selected Yields

	Recent (2/27/13)	3 Months Ago (11/28/12)	Year Ago (2/29/12)		Recent (2/27/13)	3 Months Ago (11/28/12)	Year Ago (2/29/12)
TAXABLE							
Market Rates				Mortgage-Backed Securities			
Discount Rate	0.75	0.75	0.75	GNMA 5.5%	1.59	1.70	1.38
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25	FHLMC 5.5% (Gold)	2.22	2.08	1.96
Prime Rate	3.25	3.25	3.25	FNMA 5.5%	1.83	1.71	1.98
30-day CP (A1/P1)	0.21	0.23	0.33	FNMA ARM	2.23	2.19	2.38
3-month LIBOR	0.29	0.31	0.48	Corporate Bonds			
Bank CDs				Financial (10-year) A	2.99	2.98	3.68
6-month	0.10	0.11	0.22	Industrial (25/30-year) A	4.03	3.75	4.26
1-year	0.13	0.16	0.34	Utility (25/30-year) A	4.03	3.77	4.05
5-year	0.70	0.76	1.15	Utility (25/30-year) Baa/BBB	4.40	4.13	4.53
U.S. Treasury Securities				Foreign Bonds (10-Year)			
3-month	0.10	0.09	0.08	Canada	1.87	1.72	1.99
6-month	0.13	0.14	0.13	Germany	1.45	1.37	1.82
1-year	0.15	0.17	0.16	Japan	0.67	0.72	0.96
5-year	0.76	0.65	0.86	United Kingdom	1.96	1.77	2.15
10-year	1.88	1.64	1.97	Preferred Stocks			
10-year (inflation-protected)	-0.63	-0.80	-0.30	Utility A	5.37	5.17	5.24
30-year	3.08	2.81	3.09	Financial BBB	5.92	6.11	6.14
30-year Zero	3.37	3.03	3.30	Financial Adjustable A	5.53	5.53	5.53



TAX-EXEMPT

Bond Buyer Indexes			
20-Bond Index (GOs)	3.74	3.37	3.69
25-Bond Index (Revs)	4.30	4.14	4.75
General Obligation Bonds (GOs)			
1-year Aaa	0.16	0.18	0.16
1-year A	0.74	0.77	1.10
5-year Aaa	0.87	0.69	0.71
5-year A	1.79	1.64	2.00
10-year Aaa	2.04	1.75	1.96
10-year A	2.90	2.78	3.04
25/30-year Aaa	3.13	3.12	3.56
25/30-year A	4.83	4.68	4.99
Revenue Bonds (Revs) (25/30-Year)			
Education AA	4.21	4.14	4.45
Electric AA	4.34	4.25	4.54
Housing AA	4.64	4.55	4.87
Hospital AA	4.47	4.30	4.63
Toll Road Aaa	4.37	4.22	4.42

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	2/20/13	2/6/13	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1615394	1578184	37210	1503320	1466874	1478195
Borrowed Reserves	468	539	-71	691	1326	3618
Net Free/Borrowed Reserves	1614926	1577645	37281	1502628	1465547	1474578

MONEY SUPPLY

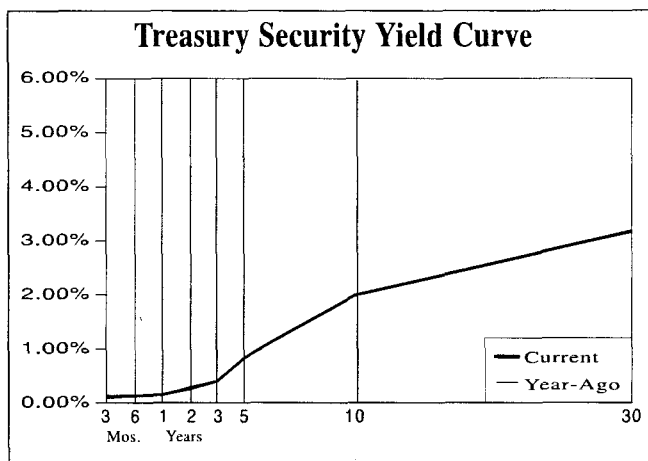
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	2/11/13	2/4/13	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2481.0	2474.7	6.3	11.0%	14.5%	12.2%
M2 (M1+savings+small time deposits)	10435.4	10421.1	14.3	6.0%	7.2%	7.1%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (2/20/13)	3 Months Ago (11/20/12)	Year Ago (2/22/12)		Recent (2/20/13)	3 Months Ago (11/20/12)	Year Ago (2/22/12)
TAXABLE							
Market Rates							
Discount Rate	0.75	0.75	0.75				
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25				
Prime Rate	3.25	3.25	3.25				
30-day CP (A1/P1)	0.20	0.22	0.26				
3-month LIBOR	0.29	0.31	0.49				
Bank CDs							
6-month	0.10	0.11	0.22				
1-year	0.13	0.16	0.34				
5-year	0.70	0.76	1.15				
U.S. Treasury Securities							
3-month	0.12	0.09	0.08				
6-month	0.13	0.14	0.12				
1-year	0.15	0.18	0.15				
5-year	0.84	0.67	0.86				
10-year	1.99	1.67	2.00				
10-year (inflation-protected)	-0.68	-0.76	-0.30				
30-year	3.18	2.82	3.15				
30-year Zero	3.47	3.04	3.37				
Mortgage-Backed Securities							
GNMA 5.5%	1.60	1.73	1.24				
FHLMC 5.5% (Gold)	2.32	2.09	1.94				
FNMA 5.5%	2.01	1.73	1.89				
FNMA ARM	2.23	2.19	2.37				
Corporate Bonds							
Financial (10-year) A	3.08	2.91	3.88				
Industrial (25/30-year) A	4.12	3.78	4.34				
Utility (25/30-year) A	4.12	3.78	4.13				
Utility (25/30-year) Baa/BBB	4.45	4.13	4.61				
Foreign Bonds (10-Year)							
Canada	2.02	1.76	2.06				
Germany	1.65	1.42	1.89				
Japan	0.75	0.74	0.98				
United Kingdom	2.19	1.85	2.11				
Preferred Stocks							
Utility A	4.31	5.12	5.14				
Financial BBB	5.91	6.09	6.07				
Financial Adjustable A	5.52	5.52	5.52				



TAX-EXEMPT

Bond Buyer Indexes							
20-Bond Index (GOs)	3.72	3.41	3.65				
25-Bond Index (Revs)	4.30	4.17	4.74				
General Obligation Bonds (GOs)							
1-year Aaa	0.19	0.17	0.17				
1-year A	0.79	0.78	1.10				
5-year Aaa	0.85	0.67	0.69				
5-year A	1.85	1.65	1.99				
10-year Aaa	2.00	1.76	1.95				
10-year A	2.93	2.80	2.96				
25/30-year Aaa	3.15	3.13	3.56				
25/30-year A	4.86	4.70	4.99				
Revenue Bonds (Revs) (25/30-Year)							
Education AA	4.22	4.18	4.46				
Electric AA	4.35	4.27	4.55				
Housing AA	4.65	4.64	4.88				
Hospital AA	4.47	4.30	4.63				
Toll Road Aaa	4.37	4.22	4.42				

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	2/6/13	1/23/13	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1578185	1521890	56295	1478089	1458819	1475245
Borrowed Reserves	539	565	-26	786	1555	3903
Net Free/Borrowed Reserves	1577646	1521325	56321	1477303	1457264	1471342

MONEY SUPPLY

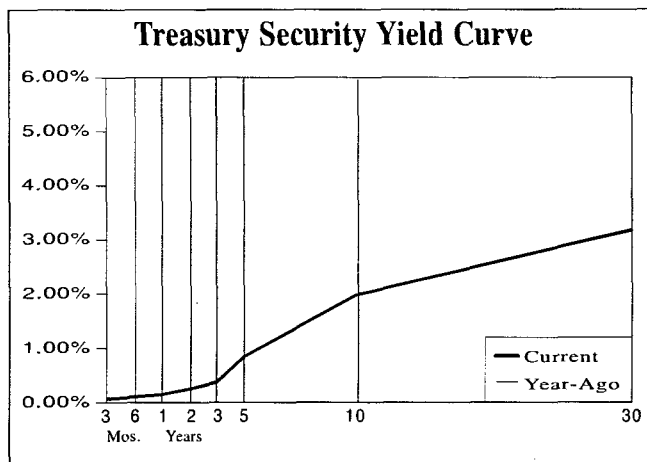
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	2/4/13	1/28/13	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2474.7	2456.8	18.0	8.4%	14.5%	12.2%
M2 (M1+savings+small time deposits)	10421.1	10413.3	7.8	4.3%	7.7%	7.2%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (2/13/13)	3 Months Ago (11/14/12)	Year Ago (2/15/12)		Recent (2/13/13)	3 Months Ago (11/14/12)	Year Ago (2/15/12)
TAXABLE							
Market Rates							
Discount Rate	0.75	0.75	0.75				
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25				
Prime Rate	3.25	3.25	3.25				
30-day CP (A1/P1)	0.21	0.23	0.29				
3-month LIBOR	0.29	0.31	0.50				
Bank CDs							
6-month	0.10	0.11	0.22				
1-year	0.13	0.16	0.35				
5-year	0.70	0.76	1.15				
U.S. Treasury Securities							
3-month	0.09	0.09	0.11				
6-month	0.12	0.14	0.12				
1-year	0.15	0.18	0.15				
5-year	0.89	0.63	0.79				
10-year	2.04	1.60	1.93				
10-year (inflation-protected)	-0.68	-0.84	-0.42				
30-year	3.22	2.74	3.09				
30-year Zero	3.48	2.95	3.32				
Mortgage-Backed Securities							
GNMA 5.5%	1.85	1.95	1.41				
FHLMC 5.5% (Gold)	2.16	2.15	1.79				
FNMA 5.5%	1.90	1.74	1.82				
FNMA ARM	2.23	2.20	2.37				
Corporate Bonds							
Financial (10-year) A	3.23	2.79	3.91				
Industrial (25/30-year) A	4.18	3.67	4.30				
Utility (25/30-year) A	4.15	3.66	4.10				
Utility (25/30-year) Baa/BBB	4.50	4.00	4.58				
Foreign Bonds (10-Year)							
Canada	2.04	1.70	2.01				
Germany	1.67	1.34	1.86				
Japan	0.75	0.75	0.97				
United Kingdom	2.21	1.75	2.08				
Preferred Stocks							
Utility A	5.50	5.11	5.61				
Financial BBB	5.92	6.09	6.07				
Financial Adjustable A	5.51	5.51	5.51				



TAX-EXEMPT

Bond Buyer Indexes							
20-Bond Index (GOs)	3.68	3.55	3.70				
25-Bond Index (Revs)	4.29	4.23	4.77				
General Obligation Bonds (GOs)							
1-year Aaa	0.20	0.22	0.17				
1-year A	0.78	0.82	1.09				
5-year Aaa	0.83	0.68	0.70				
5-year A	1.83	1.67	1.98				
10-year Aaa	1.99	1.84	1.95				
10-year A	2.90	2.89	2.95				
25/30-year Aaa	3.12	3.20	3.56				
25/30-year A	4.83	4.72	4.98				
Revenue Bonds (Revs) (25/30-Year)							
Education AA	4.21	4.20	4.44				
Electric AA	4.31	4.29	4.53				
Housing AA	4.68	4.66	4.86				
Hospital AA	4.43	4.35	4.63				
Toll Road Aaa	4.36	4.24	4.47				

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	2/6/13	1/23/13	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1578188	1521892	56296	1478090	1458819	1475245
Borrowed Reserves	539	565	-26	786	1555	3903
Net Free/Borrowed Reserves	1577649	1521327	56322	1477304	1457264	1471343

MONEY SUPPLY

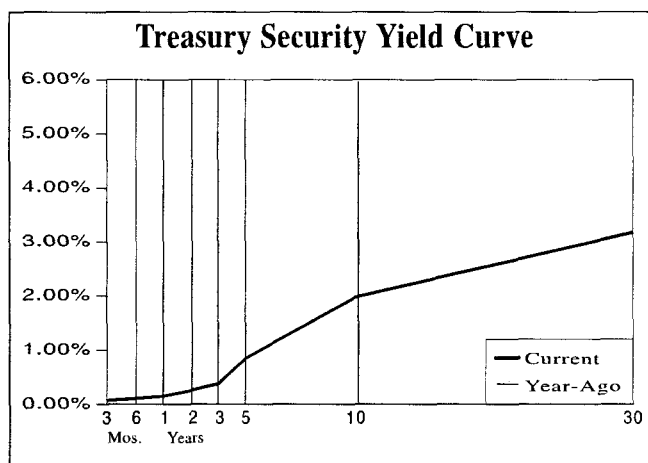
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	1/28/13	1/21/13	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2456.8	2446.1	10.7	6.0%	12.7%	11.6%
M2 (M1+savings+small time deposits)	10413.2	10403.4	9.8	4.9%	7.5%	7.0%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (2/06/13)	3 Months Ago (11/07/12)	Year Ago (2/08/12)		Recent (2/06/13)	3 Months Ago (11/07/12)	Year Ago (2/08/12)
TAXABLE							
Market Rates				Mortgage-Backed Securities			
Discount Rate	0.75	0.75	0.75	GNMA 5.5%	1.83	1.53	1.23
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25	FHLMC 5.5% (Gold)	2.06	1.83	1.86
Prime Rate	3.25	3.25	3.25	FNMA 5.5%	1.83	1.42	1.76
30-day CP (A1/P1)	0.21	0.23	0.23	FNMA ARM	2.23	2.19	2.37
3-month LIBOR	0.29	0.31	0.51	Corporate Bonds			
Bank CDs				Financial (10-year) A	3.18	2.90	4.01
6-month	0.10	0.12	0.22	Industrial (25/30-year) A	4.14	3.71	4.39
1-year	0.13	0.16	0.34	Utility (25/30-year) A	4.09	3.77	4.19
5-year	0.70	0.81	1.16	Utility (25/30-year) Baa/BBB	4.45	4.12	4.67
U.S. Treasury Securities				Foreign Bonds (10-Year)			
3-month	0.07	0.09	0.08	Canada	2.00	1.75	2.07
6-month	0.11	0.14	0.11	Germany	1.63	1.38	1.98
1-year	0.15	0.17	0.14	Japan	0.78	0.76	0.99
5-year	0.85	0.67	0.83	United Kingdom	2.10	1.76	2.19
10-year	1.98	1.68	1.98	Preferred Stocks			
10-year (inflation-protected)	-0.72	-0.82	-0.34	Utility A	5.48	5.11	5.36
30-year	3.18	2.84	3.15	Financial BBB	5.90	6.08	6.48
30-year Zero	3.42	3.05	3.37	Financial Adjustable A	5.51	5.51	5.51



TAX-EXEMPT

Bond Buyer Indexes			
20-Bond Index (GOs)	3.67	3.67	3.60
25-Bond Index (Revs)	4.29	4.29	4.70
General Obligation Bonds (GOs)			
1-year Aaa	0.22	0.21	0.15
1-year A	0.82	0.83	1.08
5-year Aaa	0.85	0.74	0.71
5-year A	1.85	1.72	1.97
10-year Aaa	2.02	1.95	1.92
10-year A	2.92	3.01	2.94
25/30-year Aaa	3.14	3.28	3.56
25/30-year A	4.85	4.79	4.97
Revenue Bonds (Revs) (25/30-Year)			
Education AA	4.22	4.24	4.43
Electric AA	4.33	4.33	4.52
Housing AA	4.68	4.70	4.85
Hospital AA	4.45	4.42	4.64
Toll Road Aaa	4.39	4.27	4.47

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	1/23/13	1/9/13	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1521892	1463479	58413	1455908	1452827	1472694
Borrowed Reserves	565	590	-25	903	1819	4198
Net Free/Borrowed Reserves	1521327	1462889	58438	1455005	1451008	1468496

MONEY SUPPLY

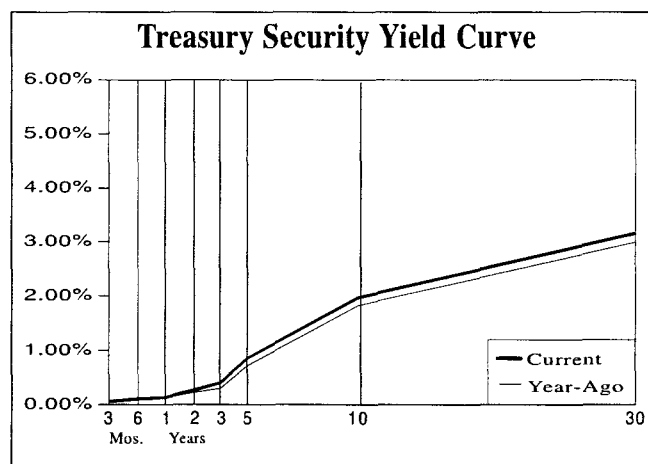
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	1/21/13	1/14/13	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2446.1	2442.7	3.4	7.0%	12.7%	11.5%
M2 (M1+savings+small time deposits)	10403.6	10458.6	-55.0	6.7%	7.8%	7.1%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (1/30/13)	3 Months Ago (10/31/12)	Year Ago (2/01/12)		Recent (1/30/13)	3 Months Ago (10/31/12)	Year Ago (2/01/12)
TAXABLE							
Market Rates				Mortgage-Backed Securities			
Discount Rate	0.75	0.75	0.75	GNMA 5.5%	1.86	1.42	1.20
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25	FHLMC 5.5% (Gold)	2.12	1.76	1.91
Prime Rate	3.25	3.25	3.25	FNMA 5.5%	1.91	1.42	1.91
30-day CP (A1/P1)	0.22	0.24	0.32	FNMA ARM	2.16	2.27	2.37
3-month LIBOR	0.30	0.31	0.54	Corporate Bonds			
Bank CDs				Financial (10-year) A	3.22	2.96	3.99
6-month	0.10	0.12	0.22	Industrial (25/30-year) A	4.12	3.77	4.26
1-year	0.13	0.16	0.34	Utility (25/30-year) A	4.10	3.83	4.07
5-year	0.70	0.81	1.16	Utility (25/30-year) Baa/BBB	4.45	4.20	4.55
U.S. Treasury Securities				Foreign Bonds (10-Year)			
3-month	0.06	0.09	0.06	Canada	2.00	1.79	1.90
6-month	0.11	0.15	0.09	Germany	1.71	1.46	1.85
1-year	0.13	0.18	0.12	Japan	0.77	0.78	0.96
5-year	0.86	0.73	0.72	United Kingdom	2.11	1.85	2.05
10-year	1.97	1.71	1.83	Preferred Stocks			
10-year (inflation-protected)	-0.68	-0.81	-0.43	Utility A	5.40	5.10	5.90
30-year	3.16	2.89	2.99	Financial BBB	5.89	6.06	6.05
30-year Zero	3.43	3.08	3.21	Financial Adjustable A	5.50	5.50	5.50



TAX-EXEMPT

Bond Buyer Indexes			
20-Bond Index (GOs)	3.54	3.68	3.68
25-Bond Index (Revs)	4.24	4.33	4.71
General Obligation Bonds (GOs)			
1-year Aaa	0.21	0.22	0.18
1-year A	0.79	0.84	1.03
5-year Aaa	0.81	0.73	0.79
5-year A	1.80	1.71	1.91
10-year Aaa	1.95	1.95	1.90
10-year A	2.87	3.02	2.88
25/30-year Aaa	3.11	3.29	3.53
25/30-year A	4.81	4.80	4.92
Revenue Bonds (Revs) (25/30-Year)			
Education AA	4.21	4.24	4.41
Electric AA	4.32	4.33	4.47
Housing AA	4.62	4.70	4.83
Hospital AA	4.42	4.43	4.62
Toll Road Aaa	4.38	4.27	4.45

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	1/23/13	1/9/13	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1521885	1463479	58406	1455907	1452826	1472694
Borrowed Reserves	565	590	-25	903	1819	4198
Net Free/Borrowed Reserves	1521320	1462889	58431	1455004	1451008	1468495

MONEY SUPPLY

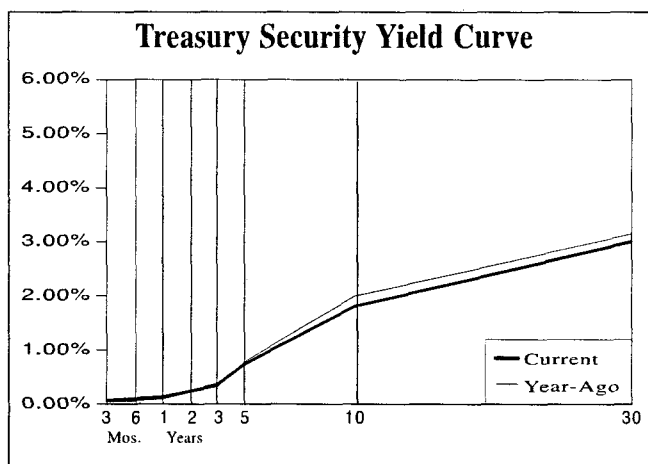
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	1/14/13	1/7/13	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2442.9	2434.9	8.0	9.0%	13.9%	12.0%
M2 (M1+savings+small time deposits)	10458.5	10485.1	-26.6	9.6%	9.2%	7.8%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (1/23/13)	3 Months Ago (10/24/12)	Year Ago (1/25/12)		Recent (1/23/13)	3 Months Ago (10/24/12)	Year Ago (1/25/12)
TAXABLE							
Market Rates							
Discount Rate	0.75	0.75	0.75				
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25				
Prime Rate	3.25	3.25	3.25				
30-day CP (A1/P1)	0.23	0.23	0.32				
3-month LIBOR	0.30	0.31	0.56				
Bank CDs							
6-month	0.10	0.12	0.22				
1-year	0.13	0.16	0.34				
5-year	0.70	0.81	1.15				
U.S. Treasury Securities							
3-month	0.07	0.11	0.04				
6-month	0.10	0.16	0.06				
1-year	0.13	0.18	0.10				
5-year	0.74	0.83	0.79				
10-year	1.81	1.85	2.00				
10-year (inflation-protected)	-0.75	-0.69	-0.25				
30-year	3.01	3.00	3.15				
30-year Zero	3.26	3.17	3.35				
Mortgage-Backed Securities							
GNMA 5.5%	1.80	1.40	1.22				
FHLMC 5.5% (Gold)	2.06	1.85	2.11				
FNMA 5.5%	1.76	1.48	2.01				
FNMA ARM	2.16	2.22	2.35				
Corporate Bonds							
Financial (10-year) A	3.07	3.07	4.15				
Industrial (25/30-year) A	3.97	3.81	4.42				
Utility (25/30-year) A	3.94	3.85	4.47				
Utility (25/30-year) Baa/BBB	4.32	4.23	5.14				
Foreign Bonds (10-Year)							
Canada	1.88	1.85	2.04				
Germany	1.54	1.56	1.95				
Japan	0.74	0.78	1.01				
United Kingdom	1.99	1.85	2.16				
Preferred Stocks							
Utility A	5.40	5.10	5.39				
Financial BBB	5.88	6.06	6.09				
Financial Adjustable A	5.50	5.50	5.50				



TAX-EXEMPT

Bond Buyer Indexes							
20-Bond Index (GOs)	3.53	3.68	3.60				
25-Bond Index (Revs)	4.22	4.33	4.77				
General Obligation Bonds (GOs)							
1-year Aaa	0.17	0.20	0.18				
1-year A	0.75	0.86	1.13				
5-year Aaa	0.78	0.73	0.87				
5-year A	1.73	1.70	2.01				
10-year Aaa	1.88	1.95	2.00				
10-year A	2.82	3.04	2.98				
25/30-year Aaa	3.09	3.30	3.59				
25/30-year A	4.77	4.81	5.02				
Revenue Bonds (Revs) (25/30-Year)							
Education AA	4.22	4.24	4.43				
Electric AA	4.32	4.32	4.50				
Housing AA	4.62	4.69	4.93				
Hospital AA	4.41	4.43	4.64				
Toll Road Aaa	4.35	4.26	4.48				

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	1/9/13	12/26/12	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1463479	1452679	10800	1441882	1448267	1472764
Borrowed Reserves	590	740	-150	1041	2108	4510
Net Free/Borrowed Reserves	1462889	1451939	10950	1440842	1446159	1468254

MONEY SUPPLY

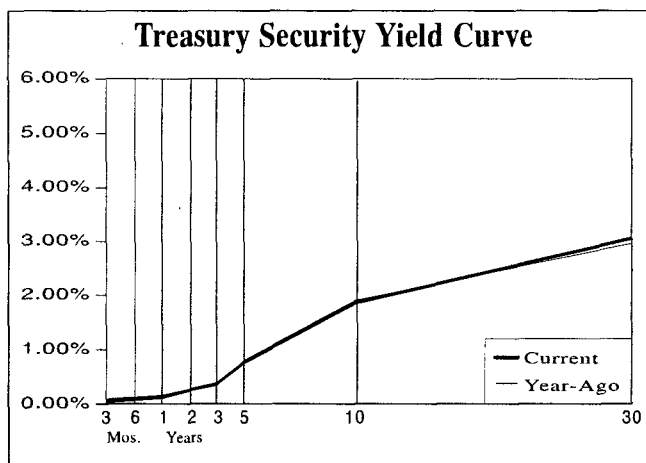
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	1/7/13	12/31/12	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2435.0	2439.9	-5.0	10.4%	14.5%	12.2%
M2 (M1+savings+small time deposits)	10484.9	10476.1	8.8	11.3%	10.6%	8.1%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (1/16/13)	3 Months Ago (10/17/12)	Year Ago (1/18/12)		Recent (1/16/13)	3 Months Ago (10/17/12)	Year Ago (1/18/12)
TAXABLE							
Market Rates							
Discount Rate	0.75	0.75	0.75				
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25				
Prime Rate	3.25	3.25	3.25				
30-day CP (A1/P1)	0.23	0.25	0.32				
3-month LIBOR	0.30	0.32	0.56				
Bank CDs							
6-month	0.10	0.12	0.22				
1-year	0.13	0.16	0.34				
5-year	0.70	0.86	1.16				
U.S. Treasury Securities							
3-month	0.07	0.10	0.02				
6-month	0.10	0.16	0.06				
1-year	0.14	0.19	0.10				
5-year	0.76	0.77	0.80				
10-year	1.85	1.81	1.90				
10-year (inflation-protected)	-0.73	-0.67	-0.21				
30-year	3.05	2.98	2.96				
30-year Zero	3.25	3.23	3.14				
Mortgage-Backed Securities							
GNMA 5.5%	1.77	1.05	1.07				
FHLMC 5.5% (Gold)	1.98	1.89	1.94				
FNMA 5.5%	1.75	1.54	1.72				
FNMA ARM	2.23	2.22	2.35				
Corporate Bonds							
Financial (10-year) A	3.05	3.10	4.00				
Industrial (25/30-year) A	3.96	3.88	4.25				
Utility (25/30-year) A	3.96	3.94	4.33				
Utility (25/30-year) Baa/BBB	4.31	4.27	4.94				
Foreign Bonds (10-Year)							
Canada	1.89	1.81	1.96				
Germany	1.57	1.63	1.79				
Japan	0.76	0.77	0.97				
United Kingdom	2.00	1.92	1.96				
Preferred Stocks							
Utility A	5.48	5.09	4.95				
Financial BBB	5.91	6.05	6.18				
Financial Adjustable A	5.49	5.49	5.49				



TAX-EXEMPT

Bond Buyer Indexes							
20-Bond Index (GOs)	3.60	3.64	3.62				
25-Bond Index (Revs)	4.26	4.32	4.74				
General Obligation Bonds (GOs)							
1-year Aaa	0.19	0.20	0.17				
1-year A	0.75	0.84	1.02				
5-year Aaa	0.80	0.68	0.85				
5-year A	1.76	1.67	1.93				
10-year Aaa	1.89	1.89	1.93				
10-year A	2.84	3.01	2.91				
25/30-year Aaa	3.11	3.28	3.56				
25/30-year A	4.79	4.79	4.96				
Revenue Bonds (Revs) (25/30-Year)							
Education AA	4.22	4.23	4.40				
Electric AA	4.32	4.31	4.54				
Housing AA	4.63	4.68	5.01				
Hospital AA	4.43	4.41	4.61				
Toll Road Aaa	4.35	4.23	4.48				

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	1/9/13	12/26/12	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1463477	1452681	10796	1441882	1448267	1472764
Borrowed Reserves	590	740	-150	1041	2108	4510
Net Free/Borrowed Reserves	1462887	1451941	10946	1440842	1446159	1468254

MONEY SUPPLY

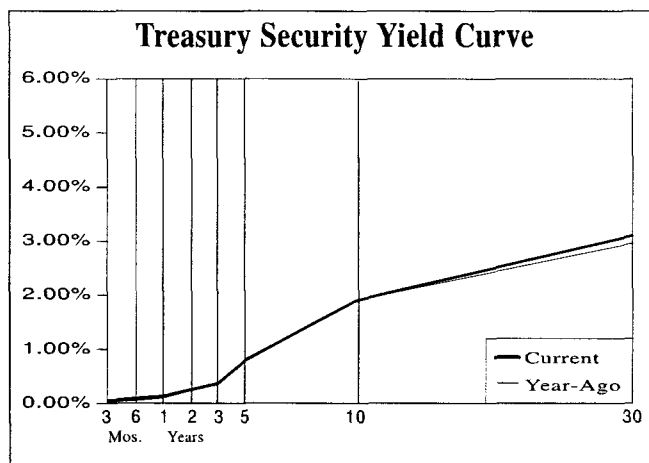
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	12/31/12	12/24/12	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2453.2	2459.6	-6.4	14.0%	18.3%	13.0%
M2 (M1+savings+small time deposits)	10505.5	10430.6	74.9	12.8%	10.9%	8.2%

Source: United States Federal Reserve Bank

Selected Yields

	Recent (1/09/13)	3 Months Ago (10/10/12)	Year Ago (1/11/12)		Recent (1/09/13)	3 Months Ago (10/10/12)	Year Ago (1/11/12)
TAXABLE							
Market Rates				Mortgage-Backed Securities			
Discount Rate	0.75	0.75	0.75	GNMA 5.5%	1.78	0.78	0.91
Federal Funds	0.00-0.25	0.00-0.25	0.00-0.25	FHLMC 5.5% (Gold)	2.16	1.84	1.91
Prime Rate	3.25	3.25	3.25	FNMA 5.5%	1.87	1.52	1.74
30-day CP (A1/P1)	0.23	0.26	0.25	FNMA ARM	2.16	2.22	2.35
3-month LIBOR	0.31	0.34	0.58	Corporate Bonds			
Bank CDs				Financial (10-year) A	3.11	3.03	4.12
6-month	0.10	0.13	0.22	Industrial (25/30-year) A	3.99	3.80	4.22
1-year	0.13	0.16	0.34	Utility (25/30-year) A	4.00	3.84	4.17
5-year	0.70	0.86	1.17	Utility (25/30-year) Baa/BBB	4.36	4.15	4.90
U.S. Treasury Securities				Foreign Bonds (10-Year)			
3-month	0.05	0.09	0.02	Canada	1.91	1.79	1.94
6-month	0.09	0.15	0.05	Germany	1.48	1.49	1.81
1-year	0.13	0.17	0.10	Japan	0.83	0.77	0.97
5-year	0.79	0.66	0.82	United Kingdom	2.02	1.77	2.01
10-year	1.90	1.70	1.90	Preferred Stocks			
10-year (inflation-protected)	-0.71	-0.83	-0.16	Utility A	5.50	5.09	4.94
30-year	3.10	2.90	2.96	Financial BBB	6.13	6.04	6.27
30-year Zero	3.30	3.11	3.15	Financial Adjustable A	5.48	5.49	5.49



TAX-EXEMPT

Bond Buyer Indexes			
20-Bond Index (GOs)	3.68	3.61	3.83
25-Bond Index (Revs)	4.30	4.28	4.93
General Obligation Bonds (GOs)			
1-year Aaa	0.21	0.20	0.17
1-year A	0.80	0.83	1.00
5-year Aaa	0.87	0.67	0.89
5-year A	1.83	1.66	1.98
10-year Aaa	1.96	1.87	1.99
10-year A	2.90	2.99	3.03
25/30-year Aaa	3.15	3.29	3.70
25/30-year A	4.85	4.79	5.12
Revenue Bonds (Revs) (25/30-Year)			
Education AA	4.25	4.23	4.49
Electric AA	4.35	4.31	4.63
Housing AA	4.66	4.68	5.10
Hospital AA	4.50	4.41	4.72
Toll Road Aaa	4.39	4.23	4.53

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES

(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Levels Over the Last...		
	12/26/12	12/12/12	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	1452680	1463862	-11182	1428705	1445624	1473060
Borrowed Reserves	740	947	-207	1194	2432	4834
Net Free/Borrowed Reserves	1451940	1462915	-10975	1427511	1443193	1468226

MONEY SUPPLY

(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Ann'l Growth Rates Over the Last...		
	12/24/12	12/17/12	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	2459.6	2435.5	24.1	12.0%	19.4%	13.5%
M2 (M1+savings+small time deposits)	10431.5	10393.0	38.5	12.8%	10.3%	8.5%

Source: United States Federal Reserve Bank

ATTACHMENT E

To investors who want to retire comfortably.

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist and money manager Ken Fisher's firm. It's called "The 15-Minute Retirement Plan." Even if you have something else in place right now, it *still* makes sense to request your guide! [Click Here to Download Your Guide!](#)

FISHER INVESTMENTS*

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

See a sample reprint in PDF format.

Order a reprint of this article now

THE WALL STREET JOURNAL.

WSJ.com

U.S. NEWS | Updated March 20, 2013, 7:57 p.m. ET

Fed Not Ready to Tighten Policy—Yet

By JON HILSENATH and VICTORIA MCGRANE



The Fed will leave interest rates unchanged amid slow but positive economic growth. Jon Hilsenrath reports from the Fed. Photo: Getty Images.

The Federal Reserve is developing a strategy to gradually wind down an \$85 billion monthly bond-buying program, a centerpiece of its easy-money policies, though it won't execute the plan until the economy gets onto more solid footing.

Fed Chairman Ben Bernanke, in a news conference Wednesday following a two-day policy meeting, said the central bank would vary the amount of its monthly bond purchases depending on how the economy is performing. This means it could slowly dial them down

from the current pace as it becomes more convinced that the job market is improving.

More on the Fed

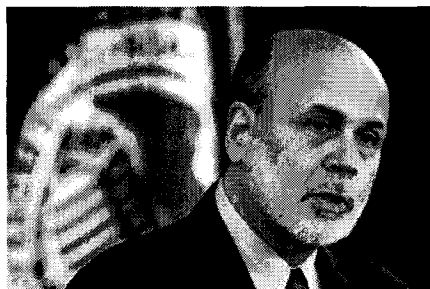
Heard on the Street: Fed May Face Coiled Spring

Live Blog: Bernanke Press Conference

Parsing the Fed Statement

Statement Following Fed's March Meeting

Five Takeaways From Fed Decision



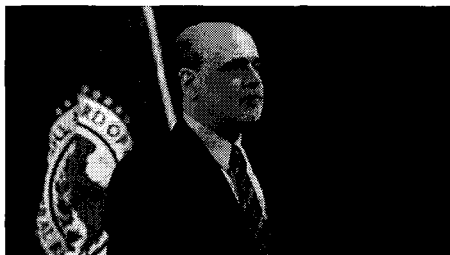
Fed Chairman Ben Bernanke speaks during a news conference in Washington on Wednesday.

When the Fed launched the bond-buying program in September, it said it would continue until it saw substantial progress in labor markets. While the jobless rate has dropped to 7.7% in February from 8.1% in August, Mr. Bernanke described the improvement to date as "partial" and "modest," and made clear he wants to see more improvement before he changes his stance.

The program, known to some as quantitative easing, is aimed at driving down long-term interest rates to encourage more borrowing, spending, investing and economic growth.

In addition to leaving the bond-buying program in place to bring down long-term interest rates, the Fed said it would keep short-term interest rates pinned near zero until the jobless rate drops to 6.5%, as long as inflation is stable.

Many investors believe the Fed's programs are helping to drive stock prices higher and have been closely attuned to any sign of change in the Fed's bond-buying policy,



Neal Lipschutz of Dow Jones Newswires and James Keenan of BlackRock analyze Federal Reserve Chairman Ben Bernanke's news conference. Photo: AP.

alert to hints that the Fed's easy-money policies might be ending. The Dow Jones Industrial Average finished the day up 55.91 points, or 0.4%, at 14511.73.

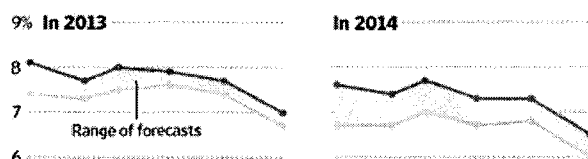
The Fed confronts a mixed economic outlook. Growth has picked up after what the Fed described as a "pause" late last year. Housing, consumer spending and business investment are advancing, and the Fed acknowledged improving labor markets. But officials are worried about the cumulative impact of tax increases and federal government spending cuts.

Policy Gauges

The Fed periodically publishes a range of forecasts, used to guide policy, for unemployment and inflation rates for the coming years.

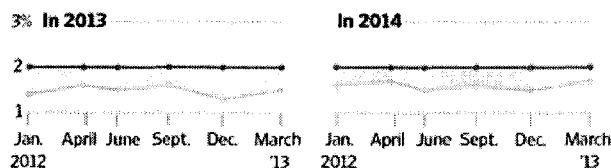
Unemployment rate

Projected average for the fourth quarter of the year indicated



Inflation

Projected change from the fourth quarter a year earlier in the personal-consumption expenditures price index



Dates forecasts were made

Source: Federal Reserve

The Wall Street Journal

- **Video:** Bernanke: Bond Buying to Continue
- **Video:** Bernanke: No 'Strong View' on Term Limits
- **Video:** Bernanke on Banks' Stress-Test Strength
- **Video:** Fed Officials Slightly Downgrade Growth for Future

Mr. Bernanke noted that the job market has shown signs of strong gains before, only to falter. "I think an important criterion would be not just the improvement that we've seen, but is it going to be sustained for a number of months?" he said.

New economic projections released by the central bank reflected the Fed's caution at the moment. Fed officials downgraded their forecasts for economic growth this year and next from their projections in December, though they also predicted that

More Video

unemployment would move a bit lower than previously expected. The economy this year will grow between 2.3% and 2.8%, Fed officials projected, and the unemployment rate will fall slightly to between 7.3% and 7.5%.

The Fed's policy statement included a subtle hint of its evolving plan to taper off its purchases by noting that it would assess the "extent of progress" the economy is making as it decided the size and pace of its bond buying. The program includes \$40 billion per month of long-term Treasury purchases and \$45 billion per month of mortgage-backed securities purchases.

Rather than let the program come to an abrupt stop, Mr. Bernanke said, "we think it makes more sense to have our policy variable, which is the rate of flow of purchases, respond in a more continuous or sensitive way to changes in the outlook."

The Fed chairman noted the approach could work in the other direction as well—if the economy falters, the Fed could dial up the rate of purchases.

"I think tapering is still a ways away," said Julia Coronado, chief economist for North America at BNP Paribas, referring to the possibility of the Fed gradually reducing the size of its bond purchases. "That would be if we get through the fiscal tightening and not only weather the fiscal tightening but actually see growth pick up through the next quarter or two."

Economists surveyed by the Wall Street Journal earlier this month, on average, said they expected the Fed to begin tapering off the bond buying in November and to complete it by May 2014.

One factor looming over the Fed's decisions in the months ahead is Mr. Bernanke's own future. His term as chairman ends in January 2014. When asked at the news conference, he said he had spoken with President Barack Obama "a bit" about his plans. But Mr. Bernanke didn't say whether he wanted a third term. Many of his friends and associates believe he will want to leave after his current term expires.

Though he declined to talk about his future, he dismissed the idea that he is needed around the Fed for his expertise on the unconventional policies that he has engineered.

"I don't think that I'm the only person in the world who can manage the exit," he said when asked. Mr. Bernanke noted that he has tried to make the Fed less centered around the chairman. "There's no single person who is essential" at the central bank, he said.

Write to Jon Hilsenrath at jon.hilsenrath@wsj.com and Victoria McGrane at victoria.mcgrane@wsj.com

A version of this article appeared March 21, 2013, on page A4 in the U.S. edition of The Wall Street Journal, with the headline: Fed Not Ready to Tighten Policy—Yet.

Copyright 2012 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com

FAR WEST WATER & SEWER, INC.
DOCKET NO. WS-03478A-12-0307

TABLE OF CONTENTS TO SURREBUTTAL SCHEDULES WAR

<u>SCHEDULE #</u>	
WAR - 1	COST OF CAPITAL SUMMARY
WAR - 2	DCF COST OF EQUITY CAPITAL
WAR - 3	DIVIDEND YIELD CALCULATION
WAR - 4	DIVIDEND GROWTH RATE CALCULATION
WAR - 5	DIVIDEND GROWTH COMPONENTS
WAR - 6	GROWTH RATE COMPARISON
WAR - 7	CAPM COST OF EQUITY CAPITAL
WAR - 8	ECONOMIC INDICATORS - 1990 TO PRESENT
WAR - 9	AVERAGE CAPITAL STRUCTURES

WEIGHTED AVERAGE COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) RUCO ADJUSTMENT	(C) RUCO ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 21,323,943	\$ -	\$ 21,323,943	79.55%	6.90%	5.49%
2	SHORT-TERM DEBT	1,732,342	-	1,732,342	6.46%	8.07%	0.52%
3	COMMON EQUITY	3,748,573	-	3,748,573	13.98%	9.25%	1.29%
4	TOTAL CAPITALIZATION	\$ 26,804,858	\$ -	\$ 26,804,858	100.00%		

5 WEIGHTED AVERAGE COST OF CAPITAL

7.30%

REFERENCES:

COLUMN (A): COMPANY SCHEDULE D-1, PAGE 1
COLUMN (B): TESTIMONY WAR
COLUMN (C): COLUMN (A) + COLUMN (B)
COLUMN (D): LINES 1 THROUGH 3 / LINE 4
COLUMN (E): LINES 1 AND 2, SCHEDULE WAR 1, PAGE 2 OF 3, LINE 3; TESTIMONY, WAR
COLUMN (F): LINES 1 THRU 3; COLUMN (D) X COLUMN (E)

WEIGHTED AVERAGE COST OF LONG-TERM DEBT

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) RUCO ADJUSTMENT	(C) RUCO ADJUSTED	(D) ANNUAL INTEREST	(E) CAPITAL RATIO	(F) COST	(G) WEIGHTED COST
1	IDA SERIES 2007A - TERM 1	\$ 2,173,211	\$ -	\$ 2,173,211	\$ 198,575	10.19%	6.50%	0.66%
2	IDA SERIES 2007A - TERM 2	17,208,285	-	17,208,285	1,360,425	80.70%	6.38%	5.14%
3	ZENON/LIBERATION CAPITAL	1,942,448	-	1,942,448	201,705	9.11%	12.00%	1.09%
4	Common Equity	-	-	-	-	0.00%	0.00%	0.00%
5	TOTAL CAPITALIZATION/INTEREST	\$ 21,323,944	\$ -	\$ 21,323,944	\$ 1,760,705	100.00%		

6 WEIGHTED AVERAGE COST OF LONG-TERM DEBT

6.90%

WEIGHTED AVERAGE COST OF SHORT-TERM DEBT

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) RUCO ADJUSTMENT	(C) RUCO ADJUSTED	(D) ANNUAL INTEREST	(E) CAPITAL RATIO	(F) COST	(G) WEIGHTED COST
1	HARDKNOCKS LTD.	\$ 75,000	\$ -	\$ 75,000	\$ -	4.33%	0.00%	0.00%
2	SCOTT SPENCER	175,000	-	175,000	28,640	10.10%	12.00%	1.21%
3	HARRY ELLIOT	301,248	-	301,248	-	17.39%	0.00%	0.00%
4	GALLAGER & KENNEDY	36,837	-	36,837	-	2.13%	12.00%	0.26%
5	SCHECHERT TRUST	1,144,257	-	1,144,257	147,289	66.05%	10.00%	6.61%
6	TOTAL CAPITALIZATION/INTEREST	\$ 1,732,342	\$ -	\$ 1,732,342	\$ 175,909	100.00%		

7 WEIGHTED AVERAGE COST OF SHORT-TERM DEBT

8.07%

COST OF COMMON EQUITY CALCULATION

LINE
NO.

1 DCF METHODOLOGY

2	DCF - WATER COMPANY SINGLE-STAGE CONSTANT GROWTH MODEL ESTIMATE	8.44%	SCHEDULE WAR-2, COLUMN (C), LINE 5
3	DCF - NATURAL GAS LDC SINGLE-STAGE CONSTANT GROWTH MODEL ESTIMATE	8.74%	SCHEDULE WAR-2, COLUMN (C), LINE 13
4	AVERAGE OF DCF ESTIMATES	8.59%	(LINE 2 + LINE 3) ÷ 2

5 CAPM METHODOLOGY

6	CAPM - WATER COMPANY GEOMETRIC MEAN ESTIMATE	5.99%	SCHEDULE WAR-7 PAGE 1, COLUMN (B), LINE 5
7	CAPM - NATURAL GAS LDC GEOMETRIC MEAN ESTIMATE	5.83%	SCHEDULE WAR-7 PAGE 1, COLUMN (B), LINE 13
8	CAPM - WATER COMPANY ARITHMETIC MEAN ESTIMATE	7.11%	SCHEDULE WAR-7 PAGE 2, COLUMN (B), LINE 5
9	CAPM - NATURAL GAS LDC ARITHMETIC MEAN ESTIMATE	6.89%	SCHEDULE WAR-7 PAGE 2, COLUMN (B), LINE 13
10	AVERAGE OF CAPM ESTIMATES	6.46%	(SUM OF LINES 6 THRU 9) ÷ 4
11	AVERAGE OF DCF AND CAPM ESTIMATES	7.52%	(SUM OF LINES 4 AND 10) ÷ 2

12 FINAL COST OF COMMON EQUITY ESTIMATE

9.25%
TESTIMONY WAR

FAR WEST WATER & SEWER, INC.
DOCKET NO. WS-03478A-12-0307
DCF COST OF EQUITY CAPITAL

DOCKET NO. WS-03478A-12-0307
SURREBUTTAL SCHEDULE WAR - 2

LINE NO.	STOCK SYMBOL	COMPANY	(A) DIVIDEND YIELD	+	(B) GROWTH RATE (g)	=	(C) DCF COST OF EQUITY CAPITAL
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	2.57%	+	4.88%	=	7.45%
2	AWR	AMERICAN STATES WATER CO.	2.74%	+	5.74%	=	8.48%
3	CWT	CALIFORNIA WATER SERVICE GROUP	3.19%	+	5.46%	=	8.65%
4	CTWS	CONNECTICUT WATER SERVICE, INC.	3.29%	+	8.34%	=	11.63%
5	MSEX	MIDDLESEX WATER COMPANY	3.87%	+	3.61%	=	7.48%
6	SJW	SJW CORPORATION	2.64%	+	4.37%	=	7.01%
7	WTR	AQUA AMERICA, INC.	2.50%	+	5.86%	=	8.36%
8		WATER COMPANY AVERAGE					8.44%
9	GAS	AGL RESOURCES, INC.	4.66%	+	3.00%	=	7.66%
10	ATO	ATMOS ENERGY CORP.	3.72%	+	4.38%	=	8.11%
11	LG	LACLEDE GROUP, INC.	4.27%	+	5.10%	=	9.37%
12	NJR	NEW JERSEY RESOURCES CORPORATION	3.73%	+	5.51%	=	9.24%
13	NWN	NORTHWEST NATURAL GAS CO.	4.04%	+	4.32%	=	8.36%
14	PNY	PIEDMONT NATURAL GAS COMPANY	3.72%	+	3.54%	=	7.26%
15	SJI	SOUTH JERSEY INDUSTRIES, INC.	3.12%	+	9.03%	=	12.15%
16	SWX	SOUTHWEST GAS CORPORATION	2.96%	+	6.34%	=	9.29%
17	WGL	WGL HOLDINGS, INC.	4.03%	+	3.16%	=	7.19%
18		NATURAL GAS LDC AVERAGE					8.74%

REFERENCES:

COLUMN (A): SCHEDULE WAR - 3, COLUMN C
COLUMN (B): SCHEDULE WAR - 4, PAGE 1, COLUMN C
COLUMN (C): COLUMN (A) + COLUMN (B)

FAR WEST WATER & SEWER, INC.
TEST YEAR ENDED DECEMBER 31, 2011
DIVIDEND YIELD CALCULATION

DOCKET NO. WS-03478A-12-0307
SURREBUTTAL SCHEDULE WAR - 3

LINE NO.	STOCK SYMBOL	COMPANY	(A) ESTIMATED DIVIDEND (PER SHARE) /	(B) AVERAGE STOCK PRICE (PER SHARE) =	(C) DIVIDEND YIELD
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	\$1.00 /	\$38.89 =	2.57%
2	AWR	AMERICAN STATES WATER CO.	1.42 /	51.77 =	2.74%
3	CWT	CALIFORNIA WATER SERVICE GROUP	0.63 /	19.74 =	3.19%
4	CTWS	CONNECTICUT WATER SERVICE, INC.	0.97 /	29.50 =	3.29%
5	MSEX	MIDDLESEX WATER COMPANY	0.75 /	19.37 =	3.87%
6	SJW	SJW CORPORATION	0.71 /	26.92	2.64%
7	WTR	AQUA AMERICA, INC.	0.70 /	28.04 =	2.50%
8		WATER COMPANY AVERAGE			2.97%
9	GAS	AGL RESOURCES, INC.	\$1.88 /	\$40.32 =	4.66%
10	ATO	ATMOS ENERGY CORP.	1.40 /	37.59 =	3.72%
11	LG	LACLEDE GROUP, INC.	1.70 /	39.83 =	4.27%
12	NJR	NEW JERSEY RESOURCES CORPORATION	1.60 /	42.86 =	3.73%
13	NWN	NORTHWEST NATURAL GAS CO.	1.82 /	45.05 =	4.04%
14	PNY	PIEDMONT NATURAL GAS COMPANY	1.20 /	32.28 =	3.72%
15	SJI	SOUTH JERSEY INDUSTRIES, INC.	1.68 /	53.83 =	3.12%
16	SWX	SOUTHWEST GAS CORPORATION	1.32 /	44.64 =	2.96%
17	WGL	WGL HOLDINGS, INC.	1.68 /	41.71 =	4.03%
18		NATURAL GAS LDC AVERAGE			3.81%

REFERENCES:

COLUMN (A): ESTIMATED 12 MONTH DIVIDEND REPORTED IN VALUE LINE INVESTMENT

SURVEY - RATINGS & REPORTS DATED 01/18/2012 (WATER COMPANIES) AND 03/08/2013 (NATURAL GAS LDC's).

COLUMN (B): EIGHT WEEK AVERAGE OF ADJUSTED CLOSING PRICES FROM 01/14/2013 TO 03/08/2013

STOCK QUOTES OBTAINED THROUGH YAHOO! FINANCE WEB SITE - HISTORICAL QUOTES (<http://finance.yahoo.com>).

COLUMN (C): COLUMN (A) DIVIDED BY COLUMN (B)

NOTE:

CLOSING STOCK PRICES ARE ADJUSTED FOR DIVIDENDS AND STOCK SPLITS.

FAR WEST WATER & SEWER, INC.
TEST YEAR ENDED DECEMBER 31, 2011
DIVIDEND GROWTH RATE CALCULATION

DOCKET NO. WS-03478A-12-0307
SURREBUTTAL SCHEDULE WAR - 4
PAGE 1 OF 2

LINE NO.	STOCK SYMBOL	COMPANY	(A) INTERNAL GROWTH (br)	+	(B) EXTERNAL GROWTH (sv)	=	(C) DIVIDEND GROWTH (g)
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	4.50%	+	0.38%	=	4.88%
2	AWR	AMERICAN STATES WATER CO.	5.10%	+	0.64%	=	5.74%
3	CWT	CALIFORNIA WATER SERVICE GROUP	4.50%	+	0.96%	=	5.46%
4	CTWS	CONNECTICUT WATER SERVICE, INC.	3.80%	+	4.54%	=	8.34%
5	MSEX	MIDDLESEX WATER COMPANY	3.00%	+	0.61%	=	3.61%
6	SJW	SJW CORPORATION	3.00%	+	1.37%	=	4.37%
7	WTR	AQUA AMERICA, INC.	5.10%	+	0.76%	=	5.86%
8		WATER COMPANY AVERAGE					5.47%
9	GAS	AGL RESOURCES, INC.	3.00%	+	0.00%	=	3.00%
10	ATO	ATMOS ENERGY CORP.	4.00%	+	0.38%	=	4.38%
11	LG	LACLEDE GROUP, INC.	4.90%	+	0.20%	=	5.10%
12	NJR	NEW JERSEY RESOURCES CORPORATION	5.50%	+	0.01%	=	5.51%
13	NWN	NORTHWEST NATURAL GAS CO.	4.00%	+	0.32%	=	4.32%
14	PNY	PIEDMONT NATURAL GAS COMPANY	3.00%	+	0.54%	=	3.54%
15	SJI	SOUTH JERSEY INDUSTRIES, INC.	7.25%	+	1.78%	=	9.03%
16	SWX	SOUTHWEST GAS CORPORATION	6.00%	+	0.34%	=	6.34%
17	WGL	WGL HOLDINGS, INC.	3.00%	+	0.16%	=	3.16%
18		NATURAL GAS LDC AVERAGE					4.93%

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): SCHEDULE WAR - 4, PAGE 2, COLUMN C
COLUMN (C): COLUMN (A) + COLUMN (B)

LINE NO.	STOCK SYMBOL	COMPANY	(A) SHARE GROWTH	(B) $\times \{ [((M + B) + 1) / 2] - 1 \}$	(C) EXTERNAL GROWTH (sv)
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	1.40%	$\times \{ [((1.54) + 1) / 2] - 1 \}$	= 0.38%
2	AWR	AMERICAN STATES WATER CO.	1.00%	$\times \{ [((2.27) + 1) / 2] - 1 \}$	= 0.64%
3	CWT	CALIFORNIA WATER SERVICE GROUP	2.60%	$\times \{ [((1.74) + 1) / 2] - 1 \}$	= 0.96%
4	CTWS	CONNECTICUT WATER SERVICE, INC.	7.00%	$\times \{ [((2.30) + 1) / 2] - 1 \}$	= 4.54%
5	MSEX	MIDDLESEX WATER COMPANY	1.90%	$\times \{ [((1.64) + 1) / 2] - 1 \}$	= 0.61%
6	SJW	SJW CORPORATION	3.70%	$\times \{ [((1.74) + 1) / 2] - 1 \}$	= 1.37%
7	WTR	AQUA AMERICA, INC.	0.75%	$\times \{ [((3.03) + 1) / 2] - 1 \}$	= 0.76%
8	WATER COMPANY AVERAGE				1.32%
9	GAS	AGL RESOURCES, INC.	0.01%	$\times \{ [((1.23) + 1) / 2] - 1 \}$	= 0.00%
10	ATO	ATMOS ENERGY CORP.	2.60%	$\times \{ [((1.30) + 1) / 2] - 1 \}$	= 0.38%
11	LG	LACLEDE GROUP, INC.	1.00%	$\times \{ [((1.41) + 1) / 2] - 1 \}$	= 0.20%
12	NJR	NEW JERSEY RESOURCES CORPORATION	0.01%	$\times \{ [((2.29) + 1) / 2] - 1 \}$	= 0.01%
13	NWN	NORTHWEST NATURAL GAS CO.	1.00%	$\times \{ [((1.65) + 1) / 2] - 1 \}$	= 0.32%
14	PNY	PIEDMONT NATURAL GAS COMPANY	1.00%	$\times \{ [((2.08) + 1) / 2] - 1 \}$	= 0.54%
15	SJI	SOUTH JERSEY INDUSTRIES, INC.	3.00%	$\times \{ [((2.19) + 1) / 2] - 1 \}$	= 1.78%
16	SWX	SOUTHWEST GAS CORPORATION	1.50%	$\times \{ [((1.45) + 1) / 2] - 1 \}$	= 0.34%
17	WGL	WGL HOLDINGS, INC.	0.50%	$\times \{ [((1.63) + 1) / 2] - 1 \}$	= 0.16%
18	NATURAL GAS LDC AVERAGE				0.41%

REFERENCES:
COLUMN (A): TESTIMONY, WAR
COLUMN (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 03/08/2013 (NATURAL GAS LDC's)
COLUMN (C): COLUMN (A) x COLUMN (B)

LINE NO.	STOCK SYMBOL	WATER COMPANY NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	(B) RETURN ON BOOK EQUITY (r)	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE (\$/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	AWK	AMERICAN WATER WORKS COMPANY, INC.	2007	-	NMF	-	28.39	160.00	
2			2008	0.6364	4.60%	2.93%	25.64	160.00	
3			2009	0.3440	5.20%	1.79%	22.91	174.63	
4			2010	0.4379	6.50%	2.85%	23.59	175.00	
5			2011	0.4709	7.20%	3.39%	24.14	175.66	
6			GROWTH 2007 - 2011			2.74%			2.36%
7			2012	0.5826	8.50%	4.95%		177.00	0.76%
8		AMERICAN STATES WATER CO.	2013	0.5378	8.50%	4.57%	2.50%	180.00	1.23%
9			2015-17	0.5000	9.00%	4.50%		188.00	1.37%
10									
11	AWR		2007	0.4074	9.30%	3.79%	17.53	17.23	
12			2008	0.3548	8.60%	3.05%	17.30	17.30	
13			2009	0.3765	8.20%	3.09%	19.39	18.53	
14			2010	0.5315	11.00%	5.85%	20.26	18.63	
15			2011	0.5089	10.30%	5.24%	21.68	18.85	
16			GROWTH 2007 - 2011			4.20%	5.00%		2.27%
17		CALIFORNIA WATER SERVICE GROUP	2012	0.5208	10.50%	5.47%		19.00	0.80%
18			2013	0.4630	11.00%	5.09%		19.20	0.92%
19			2015-17	0.4286	12.00%	5.14%	2.50%	19.60	0.78%
20									
21	CWT		2007	0.2267	8.10%	1.84%	9.25	41.33	
22			2008	0.3789	9.90%	3.75%	9.72	41.45	
23			2009	0.3980	9.60%	3.82%	10.13	41.53	
24			2010	0.3407	8.60%	2.93%	10.45	41.67	
25			2011	0.2791	8.00%	2.23%	10.76	41.82	
26			GROWTH 2007 - 2011			2.91%	5.00%		0.30%
27		CONNECTICUT WATER SERVICE, INC.	2012	0.3505	8.50%	2.98%		42.25	1.03%
28			2013	0.3905	9.00%	3.51%		44.00	2.57%
29			2015-17	0.4462	10.50%	4.68%	3.50%	47.00	2.36%
30									
31	CTWS		2007	0.1714	8.70%	1.49%	11.95	8.38	
32			2008	0.2072	9.10%	1.89%	12.23	8.46	
33			2009	0.2437	9.40%	2.29%	12.67	8.57	
34			2010	0.1858	8.70%	1.62%	13.05	8.68	
35			2011	0.1681	8.30%	1.40%	13.51	8.76	
36			GROWTH 2007 - 2011			1.74%	3.00%		1.11%
37			2012	0.3806	11.00%	4.19%		10.50	19.86%
38			2013	0.3241	10.50%	3.40%		11.00	12.06%
39			2015-17	0.3714	10.50%	3.90%	5.00%	12.00	6.50%

REFERENCES:

COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16, 26 & 36, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16, 26 & 36, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	(B) RETURN ON BOOK EQUITY (r) =	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE (\$/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	MSEX	MIDDLESEX WATER COMPANY	2007	0.2069	8.70%	1.80%	10.05	13.25	
2			2008	0.2135	8.90%	1.90%	10.03	13.40	
3			2009	0.0139	7.00%	0.10%	10.33	13.52	
4			2010	0.2500	8.20%	2.05%	11.13	15.57	
5			2011	0.1310	7.60%	1.00%	11.27	15.70	
6			GROWTH 2007 - 2011			1.37%	5.50%		4.33%
7			2012	0.1778	7.50%	1.33%		16.00	1.91%
8			2013	0.2500	8.00%	2.00%		16.25	1.74%
9			2015-17	0.3600	9.00%	3.24%	3.50%	17.25	1.90%
10									
11	SJW	SJW CORPORATION	2007	0.4135	8.20%	3.39%	12.90	18.36	
12			2008	0.3981	8.00%	3.19%	13.99	18.18	
13			2009	0.1852	6.00%	1.11%	13.66	18.50	
14			2010	0.1905	6.20%	1.18%	13.75	18.55	
15			2011	0.3784	7.90%	2.99%	14.20	18.59	
16			GROWTH 2007 - 2011			2.37%	4.50%		0.31%
17			2012	0.3238	7.00%	2.27%		18.75	0.86%
18			2013	0.3917	7.50%	2.94%		20.00	3.72%
19			2015-17	0.4483	7.00%	3.14%	3.50%	22.00	3.43%
20									
21	WTR	AQUA AMERICA, INC.	2007	0.3239	9.70%	3.14%	7.32	133.40	
22			2008	0.3014	9.30%	2.80%	7.82	135.37	
23			2009	0.2857	9.40%	2.69%	8.12	136.49	
24			2010	0.3444	10.60%	3.65%	8.51	137.97	
25			2011	0.3981	11.40%	4.54%	9.01	138.87	
26			GROWTH 2007 - 2011			3.36%	7.00%		1.01%
27			2012	0.3619	11.00%	3.98%		140.90	1.46%
28			2013	0.3826	11.50%	4.40%		141.90	1.09%
29			2015-17	0.4074	12.50%	5.09%	4.00%	143.90	0.71%

REFERENCES:

COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16 & 26, SIMPLE AVERAGE GROWTH, 2007 - 2011

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINE 6, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	(B) RETURN ON BOOK EQUITY (c) =	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE (\$/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	GAS	AGL RESOURCES, INC.	2008	0.3801	12.60%	4.79%	21.48	76.90	
2			2009	0.4028	12.50%	5.03%	22.95	77.54	
3			2010	0.4133	12.90%	5.33%	23.24	78.00	
4			2011	0.1038	5.20%	0.54%	28.33	117.10	
5			2012	0.2500	8.00%	2.00%	28.76	117.88	
6			GROWTH 2008 - 2012			3.54%	5.00%		11.27%
7			2013	0.2627	8.00%	2.10%		117.00	-0.75%
8			2014	0.3379	8.50%	2.87%		117.00	-0.37%
9			2016-18	0.5024	6.00%	3.01%	5.00%	117.00	-0.15%
10									
11	ATO	ATMOS ENERGY CORP.	2008	0.3500	8.80%	3.08%	22.60	90.81	
12			2009	0.3299	8.30%	2.74%	23.52	92.55	
13			2010	0.3796	9.20%	3.49%	24.16	90.16	
14			2011	0.3982	8.80%	3.50%	24.98	90.30	
15			2012	0.3429	8.10%	2.78%	26.14	90.24	
16			GROWTH 2008 - 2012			3.12%	4.00%		-0.16%
17			2013	0.4167	8.50%	3.54%		91.00	0.84%
18			2014	0.4431	8.50%	3.77%		92.00	0.97%
19			2016-18	0.5000	8.50%	4.25%	5.50%	103.00	2.68%
20									
21	LG	LACLEDE GROUP, INC.	2008	0.4356	11.80%	5.14%	22.12	21.99	
22			2009	0.4760	12.40%	5.90%	23.32	22.17	
23			2010	0.3539	10.10%	3.57%	24.02	22.29	
24			2011	0.4371	11.10%	4.85%	25.56	22.43	
25			2012	0.4050	10.60%	4.29%	26.60	22.62	
26			GROWTH 2008 - 2012			4.75%	6.50%		0.71%
27			2013	0.3895	10.00%	3.89%		23.00	1.68%
28			2014	0.4133	10.00%	4.13%		23.00	0.84%
29			2016-18	0.5147	10.50%	5.40%	5.50%	23.50	0.77%
30									
31	NJR	NEW JERSEY RESOURCES CORPORATION	2008	0.5889	15.70%	9.25%	17.28	42.06	
32			2009	0.4833	14.60%	7.06%	16.59	41.59	
33			2010	0.4472	14.00%	6.26%	17.62	41.17	
34			2011	0.4419	13.70%	6.05%	18.73	41.45	
35			2012	0.4317	13.90%	6.00%	18.15	41.53	
36			GROWTH 2008 - 2012			6.92%	6.50%		-0.32%
37			2013	0.3846	14.00%	5.38%		40.00	-3.68%
38			2014	0.4074	14.00%	5.70%		40.00	-1.86%
39			2016-18	0.4169	12.50%	5.21%	4.00%	40.00	-0.75%

REFERENCES:

COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 03/08/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16, 26 & 36, SIMPLE AVERAGE GROWTH, 2008 - 2012

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16, 26 & 36, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	(B) RETURN ON BOOK EQUITY (c) =	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE (\$/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	NWN	NORTHWEST NATURAL GAS CO.	2008	0.4086	10.90%	4.45%	23.71	26.50	
2			2009	0.4346	11.40%	4.95%	24.88	26.53	
3			2010	0.3846	10.50%	4.04%	26.58	26.08	
4			2011	0.2678	8.90%	2.38%	26.70	26.76	
5			2012	0.2044	8.50%	1.74%	26.95	27.00	
6			GROWTH 2008 - 2012			3.51%	4.00%		0.47%
7			2013	0.2531	9.00%	2.28%		27.50	1.85%
8			2014	0.3552	10.50%	3.73%		27.50	0.92%
9			2016-18	0.3846	11.50%	4.42%	1.00%	28.50	1.09%
10									
11	PNY	PIEDMONT NATURAL GAS COMPANY	2008	0.3087	12.40%	3.83%	12.11	73.26	
12			2009	0.3593	13.20%	4.74%	12.67	73.27	
13			2010	0.2839	11.60%	3.29%	13.35	72.28	
14			2011	0.2675	11.40%	3.05%	13.79	72.32	
15			2012	0.2892	11.70%	3.38%	14.21	72.25	
16			GROWTH 2008 - 2012			3.66%	3.00%		-0.35%
17			2013	0.2765	11.00%	3.04%		76.00	5.19%
18			2014	0.2743	11.00%	3.02%		76.00	2.56%
19			2016-18	0.2684	11.00%	2.95%	4.00%	76.00	1.02%
20									
21	SJI	SOUTH JERSEY INDUSTRIES, INC.	2008	0.5110	13.10%	6.69%	17.33	29.73	
22			2009	0.4874	13.10%	6.38%	18.24	29.80	
23			2010	0.4963	14.20%	7.05%	19.08	29.87	
24			2011	0.4810	13.90%	6.69%	20.66	30.21	
25			2012	0.4554	12.90%	5.88%	23.00	31.50	
26			GROWTH 2008 - 2012			6.54%	7.00%		1.46%
27			2013	0.4400	13.00%	5.72%		32.50	3.17%
28			2014	0.4343	14.50%	6.30%		33.50	3.13%
29			2016-18	0.4896	15.50%	7.59%	7.00%	36.00	2.71%
30									
31	SWX	SOUTHWEST GAS CORPORATION	2008	0.3525	5.90%	2.08%	23.49	44.19	
32			2009	0.5103	7.90%	4.03%	24.44	45.09	
33			2010	0.5595	8.90%	4.98%	25.62	45.56	
34			2011	0.5638	9.20%	5.19%	26.66	45.96	
35			2012	0.5874	10.20%	5.99%	28.39	46.15	
36			GROWTH 2008 - 2012			4.45%	5.00%		1.09%
37			2013	0.5525	9.50%	5.25%		47.00	1.84%
38			2014	0.5484	9.50%	5.21%		48.00	1.98%
39			2016-18	0.5733	10.50%	6.02%	5.00%	50.00	1.62%

REFERENCES:

COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 03/08/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINES 6, 16, 26 & 36, SIMPLE AVERAGE GROWTH, 2008 - 2012

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINES 6, 16, 26 & 36, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

LINE NO.	STOCK SYMBOL	NATURAL GAS LDC NAME	OPERATING PERIOD	(A) RETENTION RATIO (b)	(B) RETURN ON BOOK EQUITY (f) =	(C) DIVIDEND GROWTH (g)	(D) BOOK VALUE (\$/SHARE)	(E) SHARES OUTST. (MILLIONS)	(F) SHARE GROWTH
1	WGL	WGL HOLDINGS, INC.	2008	0.4221	11.60%	4.90%	20.99	49.92	
2			2009	0.4190	11.60%	4.86%	21.89	50.14	
3			2010	0.3392	9.90%	3.36%	22.82	50.54	
4			2011	0.3111	9.50%	2.96%	23.49	51.20	
5			2012	0.4067	11.00%	4.47%	24.75	51.50	
6			GROWTH 2008 - 2012			4.11%	4.50%		0.78%
7			2013	0.3224	9.50%	3.06%		51.75	0.49%
8			2014	0.3423	10.00%	3.42%		52.00	0.48%
9			2016-18	0.3094	9.50%	2.94%	3.50%	52.00	0.19%

REFERENCES:

COLUMNS (A) & (B): VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 03/08/2013
COLUMN (C): COLUMN (A) x COLUMN (B)
COLUMN (C): LINE 6, SIMPLE AVERAGE GROWTH, 2008 - 2012

COLUMN (D): VALUE LINE INVESTMENT SURVEY
COLUMN (D): LINE 6, COMPOUND GROWTH RATE
COLUMN (E): VALUE LINE INVESTMENT SURVEY
COLUMN (F): COMPOUND GROWTH RATES OF DATES SHOWN

WATER COMPANY SAMPLE:

LINE NO.	STOCK SYMBOL	(A)		(B)		(C)		(D)		(E)		(F)	
		(br) + (sv)		ZACKS	EPS	VALUE LINE PROJECTED	EPS	BVPS	VALUE LINE HISTORIC	BVPS	VALUE LINE & ZACKS AVGS.	EPS	5 - YEAR COMPOUND HISTORY
1	AWK	4.88%		8.00%	9.00%	6.50%		2.50%	-	-	6.50%	-	-3.97%
2	AWR	5.74%		6.00%	5.50%	7.50%		2.50%	2.50%	5.00%	5.79%	8.44%	5.46%
3	CWT	5.46%		5.00%	6.00%	3.00%		3.50%	1.00%	5.00%	4.07%	3.48%	3.85%
4	CTWS	8.34%		-	7.50%	3.00%		5.00%	1.50%	3.00%	4.00%	1.85%	3.12%
5	MSEX	3.61%		-	7.00%	1.50%		3.50%	1.50%	5.50%	3.92%	-0.87%	2.91%
6	SIJW	4.37%		-	8.00%	3.00%		3.50%	5.00%	4.50%	3.50%	1.64%	2.43%
7	WTR	5.86%		6.90%	7.00%	5.00%		4.00%	8.00%	7.00%	6.06%	9.75%	5.33%
8						4.21%		3.50%	3.25%	5.00%		4.05%	3.04%
9	AVERAGES	5.47%		6.48%		4.95%			4.22%	5.00%	4.83%		3.27%

NATURAL GAS LDC SAMPLE:

LINE NO.	STOCK SYMBOL	(A)		(B)		(C)		(D)		(E)		(F)	
		(br) + (sv)		ZACKS	EPS	VALUE LINE PROJECTED	EPS	BVPS	VALUE LINE HISTORIC	BVPS	VALUE LINE & ZACKS AVGS.	EPS	5 - YEAR COMPOUND HISTORY
1	GAS	3.00%		4.30%	9.00%	6.50%		5.00%	6.50%	5.00%	5.40%	-3.81%	0.88%
2	ATO	4.38%		4.30%	5.50%	1.50%		5.50%	1.50%	4.00%	3.61%	1.23%	1.50%
3	LG	5.10%		3.00%	5.50%	2.00%		5.50%	3.00%	6.50%	4.21%	1.39%	2.74%
4	NJR	5.51%		4.00%	2.00%	3.00%		4.00%	8.50%	6.50%	5.21%	0.09%	8.53%
5	NWN	4.32%		3.80%	3.00%	2.50%		1.00%	4.50%	4.00%	3.33%	-3.27%	4.17%
6	PNY	3.54%		3.70%	3.00%	3.00%		4.00%	5.50%	3.00%	3.67%	2.74%	3.46%
7	SJI	9.03%		6.00%	9.00%	9.00%		7.00%	9.50%	7.00%	7.79%	7.49%	10.42%
8	SWX	6.34%		4.90%	8.00%	7.00%		5.00%	4.00%	5.00%	5.77%	19.77%	7.01%
9	WGL	3.16%		5.30%	2.00%	3.00%		3.50%	3.00%	4.50%	3.47%	2.37%	3.05%
10					5.22%	4.17%		4.50%	5.11%	5.06%		3.11%	4.64%
11	AVERAGES	4.93%		4.37%		4.63%			4.93%		4.72%		4.10%

REFERENCES:

COLUMN (A): SCHEDULE WAR - 4, PAGE 1, COLUMN C
COLUMN (B): ZACKS INVESTMENT RESEARCH (www.zacks.com)
COLUMN (C): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 03/08/2013 (NATURAL GAS LDC's)
COLUMN (D): VALUE LINE INVESTMENT SURVEY - RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 03/08/2013 (NATURAL GAS LDC's)
COLUMN (E): SIMPLE AVERAGE OF COLUMNS (B) THRU (D) LINES 1 THRU 3 (WATER) AND 1 THRU 9 (NATURAL GAS)
COLUMN (F): 5-YEAR ANNUAL GROWTH RATE CALCULATED WITH DATA COMPILED FROM VALUE LINE INVESTMENT SURVEY
- RATINGS & REPORTS DATED 01/18/2013 (WATER COMPANIES) AND 03/08/2013 (NATURAL GAS LDC's)

BASED ON A GEOMETRIC MEAN:

LINE NO.	STOCK SYMBOL	(A)					(B) EXPECTED RETURN
		k	=	r _f	+	[β x (r _m - r _f)]	=
1	AVK	k	=	3.12%	+	[0.65 x (9.80% - 5.70%)]	= 5.79%
2	AWR	k	=	3.12%	+	[0.70 x (9.80% - 5.70%)]	= 5.99%
3	CWT	k	=	3.12%	+	[0.65 x (9.80% - 5.70%)]	= 5.79%
4	CTWS	k	=	3.12%	+	[0.75 x (9.80% - 5.70%)]	= 6.20%
5	MSEX	k	=	3.12%	+	[0.70 x (9.80% - 5.70%)]	= 5.99%
6	SJW	k	=	3.12%	+	[0.85 x (9.80% - 5.70%)]	= 6.61%
7	WTR	k	=	3.12%	+	[0.60 x (9.80% - 5.70%)]	= 5.58%
8	WATER COMPANY AVERAGE			0.70			5.95%
9	GAS	k	=	3.12%	+	[0.75 x (9.80% - 5.70%)]	= 6.20%
10	ATO	k	=	3.12%	+	[0.70 x (9.80% - 5.70%)]	= 5.99%
11	LG	k	=	3.12%	+	[0.55 x (9.80% - 5.70%)]	= 5.38%
12	NJR	k	=	3.12%	+	[0.65 x (9.80% - 5.70%)]	= 5.79%
13	NWN	k	=	3.12%	+	[0.60 x (9.80% - 5.70%)]	= 5.58%
14	PNY	k	=	3.12%	+	[0.65 x (9.80% - 5.70%)]	= 5.79%
15	SJI	k	=	3.12%	+	[0.65 x (9.80% - 5.70%)]	= 5.79%
16	SWX	k	=	3.12%	+	[0.75 x (9.80% - 5.70%)]	= 6.20%
17	WGL	k	=	3.12%	+	[0.65 x (9.80% - 5.70%)]	= 5.79%
18	NATURAL GAS LDC AVERAGE			0.66			5.83%

REFERENCES:
COLUMN (A): SHARPE LITNER CAPITAL ASSET PRICING MODEL ("CAPM") FORMULA

$$k = r_f + [\beta (r_m - r_f)]$$

WHERE: k = THE EXPECTED RETURN ON A GIVEN SECURITY
r_f = RATE OF RETURN ON A RISK FREE ASSET PROXY (a)
β = THE BETA COEFFICIENT OF A GIVEN SECURITY
r_m = PROXY FOR THE MARKET RATE OF RETURN (b)

COLUMN (B): EXPECTED RATE OF RETURN USING THE CAPM FORMULA

NOTES

- (a) AN 8-WEEK AVERAGE OF THE YIELD ON A 30-YEAR U.S. TREASURY INSTRUMENT THAT APPEARED IN VALUE LINE INVESTMENT SURVEY'S "SELECTION & OPINIONS" PUBLICATION FROM 11/30/2012 THROUGH 01/18/2013 WAS USED AS A RISK FREE RATE OF RETURN.
- (b) THE RISK PREMIUM (RM - RF) USED THE GEOMETRIC MEAN FOR S&P 500 TOTAL RETURNS OVER THE 1926 - 2011 PERIOD MINUS TOTAL RETURNS ON LONG-TERM TREASURIES DURING THE SAME PERIOD. THE DATA WAS OBTAINED FROM MORNINGSTAR'S STOCKS, BONDS, BILLS AND INFLATION; 2012 YEARBOOK.

BASED ON AN ARITHMETIC MEAN:

LINE NO.	STOCK SYMBOL	(A)					(B) EXPECTED RETURN
		k	=	r _f	+	[β x (r _m - r _f)]	=
1	AWK	k	=	3.12%	+	[0.65 x (11.80% - 6.10%)]	= 6.83%
2	AWR	k	=	3.12%	+	[0.70 x (11.80% - 6.10%)]	= 7.11%
3	CWT	k	=	3.12%	+	[0.65 x (11.80% - 6.10%)]	= 6.83%
4	CTWS	k	=	3.12%	+	[0.75 x (11.80% - 6.10%)]	= 7.40%
5	MSEX	k	=	3.12%	+	[0.70 x (11.80% - 6.10%)]	= 7.11%
6	SIW	k	=	3.12%	+	[0.85 x (11.80% - 6.10%)]	= 7.97%
7	WTR	k	=	3.12%	+	[0.60 x (11.80% - 6.10%)]	= 6.54%
8	WATER COMPANY AVERAGE					0.70	7.11%
9	GAS	k	=	3.12%	+	[0.75 x (11.80% - 6.10%)]	= 7.40%
10	ATO	k	=	3.12%	+	[0.70 x (11.80% - 6.10%)]	= 7.11%
11	LG	k	=	3.12%	+	[0.55 x (11.80% - 6.10%)]	= 6.28%
12	NJR	k	=	3.12%	+	[0.65 x (11.80% - 6.10%)]	= 6.83%
13	NWN	k	=	3.12%	+	[0.60 x (11.80% - 6.10%)]	= 6.54%
14	PNY	k	=	3.12%	+	[0.65 x (11.80% - 6.10%)]	= 6.83%
15	SJI	k	=	3.12%	+	[0.65 x (11.80% - 6.10%)]	= 6.83%
16	SWX	k	=	3.12%	+	[0.75 x (11.80% - 6.10%)]	= 7.40%
17	WGL	k	=	3.12%	+	[0.65 x (11.80% - 6.10%)]	= 6.83%
18	NATURAL GAS LDC AVERAGE					0.66	6.89%

REFERENCES:

COLUMN (A): SHARPE LITNER CAPITAL ASSET PRICING MODEL ("CAPM") FORMULA

$$k = r_f + [\beta (r_m - r_f)]$$

WHERE: k = THE EXPECTED RETURN ON A GIVEN SECURITY

r_f = RATE OF RETURN ON A RISK FREE ASSET PROXY (a)

β = THE BETA COEFFICIENT OF A GIVEN SECURITY

r_m = PROXY FOR THE MARKET RATE OF RETURN (b)

COLUMN (B): EXPECTED RATE OF RETURN USING THE CAPM FORMULA

NOTES

(a) AN 8-WEEK AVERAGE OF THE YIELD ON A 30-YEAR U.S. TREASURY INSTRUMENT THAT APPEARED IN VALUE LINE INVESTMENT SURVEY'S "SELECTION & OPINIONS" PUBLICATION FROM 11/30/2012 THROUGH 01/18/2013 WAS USED AS A RISK FREE RATE OF RETURN.

(b) THE RISK PREMIUM (RM - RF) USED THE ARITHMETIC MEAN FOR S&P 500 TOTAL RETURNS OVER THE 1926 - 2011 PERIOD MINUS TOTAL RETURNS ON LONG-TERM TREASURIES DURING THE SAME PERIOD. THE DATA WAS OBTAINED FROM MORNINGSTAR'S STOCKS, BONDS, BILLS AND INFLATION 2012 YEARBOOK.

FAR WEST WATER & SEWER, INC.
DOCKET NO. WS-03478A-12-0307
ECONOMIC INDICATORS - 1990 TO PRESENT

DOCKET NO. WS-03478A-12-0307
SURREBUTTAL SCHEDULE WAR - 8

LINE NO.	YEAR	(A) CHANGE IN CPI	(B) CHANGE IN GDP (1986 \$)	(C) PRIME RATE	(D) FED. DISC. RATE	(E) FED. FUNDS RATE	(F) 91-DAY T-BILLS	(G) 30-YR T-BONDS	(H) A-RATED UTIL. BOND YIELD	(I) Baa-RATED UTIL. BOND YIELD
1	1990	5.39%	1.90%	10.01%	6.98%	8.10%	7.50%	7.49%	9.86%	10.06%
2	1991	4.25%	-0.20%	8.46%	5.45%	5.69%	5.38%	5.38%	9.36%	9.55%
3	1992	3.03%	3.30%	6.25%	3.25%	3.52%	3.43%	3.43%	8.69%	8.86%
4	1993	2.96%	2.70%	6.00%	3.00%	3.02%	3.00%	3.00%	7.59%	7.91%
5	1994	2.81%	4.00%	7.14%	3.60%	4.21%	4.25%	4.25%	8.31%	8.63%
6	1995	2.81%	2.50%	8.83%	5.21%	5.83%	5.49%	5.49%	7.89%	8.29%
7	1996	2.93%	3.70%	8.27%	5.02%	5.30%	5.01%	5.01%	7.75%	8.17%
8	1997	2.34%	4.50%	8.44%	5.00%	5.46%	5.06%	5.06%	7.60%	8.12%
9	1998	1.55%	4.20%	8.35%	4.92%	5.35%	4.78%	4.78%	7.04%	7.27%
10	1999	2.19%	4.50%	7.99%	4.62%	4.97%	4.64%	4.64%	7.62%	7.86%
11	2000	3.38%	3.70%	9.23%	5.73%	6.24%	5.82%	5.82%	8.24%	8.36%
12	2001	2.83%	0.80%	6.92%	3.41%	3.88%	3.40%	5.95%	7.59%	8.02%
13	2002	1.59%	1.60%	4.67%	1.17%	1.67%	1.61%	5.38%	7.41%	7.98%
14	2003	2.27%	2.50%	4.12%	2.03%	1.13%	1.01%	4.92%	6.18%	6.64%
15	2004	2.68%	3.60%	4.34%	2.34%	1.35%	1.37%	5.03%	5.77%	6.20%
16	2005	3.39%	2.90%	6.16%	4.19%	3.22%	3.15%	4.57%	5.38%	5.78%
17	2006	3.24%	2.80%	7.97%	5.96%	4.97%	4.73%	4.91%	5.94%	6.30%
18	2007	2.85%	2.90%	8.05%	5.86%	5.02%	4.36%	4.84%	6.07%	6.24%
19	2008	3.84%	-6.80%	5.09%	2.39%	1.92%	1.37%	4.28%	6.34%	6.64%
20	2009	-0.36%	5.00%	3.25%	0.50%	0.00% - 0.25%	0.15%	4.08%	5.84%	6.87%
21	2010	1.84%	2.80%	3.25%	0.72%	0.00% - 0.25%	0.13%	4.25%	5.50%	5.98%
22	2011	3.00%	1.70%	3.25%	0.75%	0.00% - 0.25%	0.05%	3.93%	5.06%	5.58%
23	2012	1.70%	2.20%	3.25%	0.75%	0.00% - 0.25%	0.08%	2.92%	3.99%	4.42%
24	CURRENT	2.00%	0.10%	3.25%	0.75%	0.00% - 0.25%	0.10%	3.06%	4.03%	4.40%

REFERENCES:

COLUMN (A): 1990 - CURRENT, U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS WEB SITE
COLUMN (B): 1990 - CURRENT, U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS
COLUMN (C) THROUGH (G): 1990 - 2003, FEDERAL RESERVE BANK OF ST. LOUIS WEB SITE
COLUMN (C) THROUGH (D): CURRENT, THE VALUE LINE INVESTMENT SURVEY, DATED 01/18/2013
COLUMN (F) THROUGH (I): CURRENT, THE VALUE LINE INVESTMENT SURVEY, DATED 03/08/2013
COLUMN (H) THROUGH (I): 1990 - 2000, MOODY'S PUBLIC UTILITY REPORTS
COLUMN (H) THROUGH (I): 2001, MERGENT 2002 PUBLIC UTILITY MANUAL
COLUMN (H) THROUGH (I): 2003, MERGENT NEWS REPORTS

AVERAGE CAPITAL STRUCTURES OF SAMPLE WATER COMPANIES (000's)

LINE NO.	AWK	PCT.	AWR	PCT.	CWT	PCT.	CTWS	PCT.	SJW	PCT.
1 DEBT	\$ 5,339.9	55.6%	\$ 340.6	45.5%	\$ 479.2	52.4%	\$ 178.5	49.0%	\$ 343.8	56.6%
2										
3 PREFERRED STOCK	25.7	0.3%	0.0	0.0%	0.0	0.0%	0.7	0.2%	0.0	0.0%
4										
5 COMMON EQUITY	4,235.8	44.1%	408.6	54.5%	435.5	47.6%	185.3	50.8%	264.0	43.4%
6										
7 TOTALS	\$ 9,601.4	100%	\$ 749.2	100%	\$ 914.7	100%	\$ 364.5	100%	\$ 607.8	100%
8										
9										
10 MSEX		PCT.	WTR	PCT.	WATER COMPANY AVERAGE	PCT.				
11										
12 DEBT	\$ 132.2	42.3%	\$ 1,395.4	52.7%	\$ 1,172.8	54.0%				
13										
14 PREFERRED STOCK	3.3	1.1%	0.0	0.0%	4.2	0.2%				
15										
16 COMMON EQUITY	177.0	56.6%	1,251.8	47.3%	994.0	45.8%				
17										
18 TOTALS	\$ 312.5	100%	\$ 2,647.2	100%	\$ 2,171.0	100%				

AVERAGE CAPITAL STRUCTURES OF SAMPLE NATURAL GAS COMPANIES (000's)

LINE NO.	AGL	PCT.	ATO	PCT.	LG	PCT.	NJR	PCT.	NWN	PCT.
1										
2										
3 DEBT	\$ 3,561.0	51.6%	\$ 1,956.3	45.3%	\$ 339.4	40.9%	\$ 525.1	39.2%	\$ 641.7	47.3%
4										
5 PREFERRED STOCK	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
6										
7 COMMON EQUITY	3,339.0	48.4%	2,359.2	54.7%	491.3	59.1%	813.9	60.8%	714.5	52.7%
8										
9 TOTALS	\$ 6,900.0	100%	\$ 4,315.5	100%	\$ 830.7	100%	\$ 1,339.0	100%	\$ 1,356.2	100%
10										
11										
12										
13										
14 DEBT	\$ 675.0	40.4%	\$ 424.2	40.5%	\$ 930.8	43.2%	\$ 589.2	31.2%	\$ 1,071.4	44.8%
15										
16 PREFERRED STOCK	0.0	0.0%	0.0	0.0%	0.0	0.0%	28.2	1.5%	3.1	0.1%
17										
18 COMMON EQUITY	996.9	59.6%	624.1	59.5%	1,225.0	56.8%	1,269.5	67.3%	1,314.8	55.0%
19										
20 TOTALS	\$ 1,671.9	100%	\$ 1,048.3	100%	\$ 2,155.8	100%	\$ 1,886.9	100%	\$ 2,389.4	100%
21										
22										
23										
24										
25 DEBT	\$ 1,122.1	49.3%								
26										
27 PREFERRED STOCK	1.6	0.1%								
28										
29 COMMON EQUITY	1,154.4	50.7%								
30										
31 TOTALS	\$ 2,278.1	100%								

NATURAL GAS LDC AVERAGE

PCT.

FAR WEST WATER & SEWER , INC.

DOCKET NO. WS-03478A-12-0307

SURREBUTTAL TESTIMONY

OF

TIMOTHY J. COLEY

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

MARCH 29, 2013

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	i
INTRODUCTION.....	1
SURREBUTTAL RATE BASE ADJUSTMENTS	2
Rate Base Adjustment 1(a) - Excess Capacity of Used and Useful Utility Plant in Service.....	3
Rate Base Adjustment 1(b) – Accumulated Depreciation Related to Excess Capacity of Used and Useful Utility Plant in Service.....	5
Rate Base Adjustment 1(c) – Advances in Aid of Construction (AIAC) and Contributions in Aid of Construction (CIAC) Related to Excess Capacity of Used and Useful Utility Plant in Service.....	6
Rate Base Adjustment 2 – Intentionally Left Blank	7
Rate Base Adjustment 3 – Intentionally Left Blank	7
Rate Base Adjustment 4 – Working Capital Allowance	7
SURREBUTTAL OPERATING INCOME ADJUSTMENTS	8
Operating Income Adjustment 1 - Depreciation Expense	9
Operating Income Adjustment 2 - Property Tax Expense.....	9
Operating Income Adjustment 3 – Repairs and Maintenance Expense.....	10
Operating Income Adjustment 4 – Salaries and Wages Expense	10
Operating Income Adjustment 5 – Salaries and Wages Expense	11
Operating Income Adjustment 6 – Merit Pay Expense	11
Operating Income Adjustment 7 - Bad Debt Expense	11
Operating Income Adjustment 8 - Imputed Revenue.....	12
Operating Income Adjustment 9 – Legal Expense.....	12
Operating Income Adjustment 10 – Intentionally Left Blank	12
Operating Income Adjustment #11 – Income Tax Expense.....	13
REVENUE REQUIREMENTS	13
Required Dollar Increase in Gross Revenues.....	14
Required Percentage Increase in Gross Revenues.....	14

EXECUTIVE SUMMARY

The Residential Utility Consumer Office ("RUCO") now provides surrebuttal testimony in response to Far West Water & Sewer, Inc., Sewer Division ("Far West" or "Company") rebuttal testimony that was filed with the Arizona Corporation Commission ("ACC" or "Staff") on March 11, 2013. I will address the Company's rebuttal positions to the intervening parties' direct testimonies as it pertains to Far West's operating income and revenue requirement. RUCO consultants Thomas H. Fish, Ph.D and Royce A. Duffet P.E., of Ariadair Economics Group will provide separate testimony regarding the Company's rate base with the exception of working capital. I will address Far West's working capital as proposed in its rebuttal filing. RUCO Chief of Accounting and Rates, William Rigsby, will provide separate testimony on RUCO's recommended cost of capital.

The following table presents the rate base for Far West's Sewer Division as initially proposed in the Company's Application, its rebuttal position, and RUCO's direct and surrebuttal recommendations.

Rate Base

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
\$22,800,578	\$20,556,601	\$16,399,350	\$16,679,237

The primary difference between the Company's direct and rebuttal rate base filings is Far West's acceptance and partial acceptances of Staff's recommended utility plant in service adjustments, which is highlighted in the Company's rebuttal filing.

The next table presents the operating income for Far West's Sewer Division as initially proposed in the Company's Application, its rebuttal position, and RUCO's direct and surrebuttal recommendations.

Adjusted Test Year Operating Income

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
(\$1,187,812)	(\$573,672)	(\$404,164)	(\$405,272)

The primary difference between the Company's direct and rebuttal adjusted test year operating income is Far West's utilization of the statutory federal income tax rate in its rebuttal filing as utilized by RUCO in

both of its filings. There are small differences in RUCO's direct and surrebuttal recommendations for its recommended adjusted test year operating income in both filings.

The final two tables below presents the required increase in dollars and percentages of gross revenues by the parties for Far West as initially proposed in the Company's Application, its rebuttal position, and RUCO's direct and surrebuttal recommendations.

Required Dollar Increase in Gross Revenues

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
\$3,866,046	\$3,514,335	\$2,658,963	\$2,695,215

Required Percentage Increase in Gross Revenues

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
173.52%	157.74%	119.34%	120.84%

The resulting differences in the required increase in revenues between Far West and RUCO were noted earlier in the rate base and adjusted test year operating income sections. One other difference is due to a slightly higher required rate of return requested by the Company in its rebuttal filing.

The Company sought a 7.409 percent rate of return on its \$22,800,578 Sewer Division's fair value rate base in its original rate Application and is seeking a 7.50 percent rate of return on its \$20,556,601 rebuttal fair value rate base. RUCO recommends a 7.30 percent rate of return on a \$16,729,237 fair value rate base.

RUCO's adjusted Test Year rate base and operating income recommendations for Far West reflect four net rate base adjustments totaling (\$6,121,341) and eight net operating income adjustments totaling (\$779,406).

RUCO will file separate rate design testimony on April 3, 2013.

INTRODUCTION

Q. Please state your name for the record.

A. My name is Timothy J. Coley.

Q. Have you previously filed testimony regarding this docket?

A. Yes, I have. I filed direct testimony in this docket on February 8, 2013.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony will address the Company's rebuttal proposals and comments pertaining to the adjustments I recommended in my direct testimony.

Q. What areas will you address in your surrebuttal testimony?

A. My surrebuttal testimony will address RUCO's recommended operating income adjustments and revenue requirement for Far West Water & Sewer, Inc., Sewer Division (hereafter referred to as "Far West" or the "Company"). RUCO's consultants, Thomas H. Fish, Ph.D and Royce A. Duffet P.E., of Ariadair Economics Group provide separate testimonies on Far West's rate base with the exception of the working capital allowance, which I will address.

...

1 **Q. How is your surrebuttal testimony organized?**

2 A. My surrebuttal testimony is comprised of four parts: the introduction that
3 I've just presented; RUCO's rate base adjustments; RUCO's operating
4 income adjustments; and revenue requirement.
5

6 **Q. Please identify the schedules that you are sponsoring in RUCO's**
7 **surrebuttal testimony.**

8 A. I am sponsoring rate base and operating income schedules for Far West
9 numbered TJC-1 through TJC-19.
10
11

12 **SURREBUTTAL RATE BASE ADJUSTMENTS**

13 **Q. What are RUCO's surrebuttal rate base adjustments and briefly**
14 **identify each one?**

15 A. RUCO did not make any additional rate base adjustments in surrebuttal
16 testimony other than the four adjustments that were fully addressed in my
17 direct testimony and the testimonies of Dr. Fish and Mr. Duffet of Ariadair
18 Economics Group with RUCO's reason(s) why each is recommended to
19 the Commission. If RUCO recommends an adjustment here in surrebuttal
20 testimony that was either not recommended or is materially different than
21 what was recommended in direct testimony a full description of the
22 adjustment will be noted here in surrebuttal testimony. RUCO's rate base

adjustments consist of the following recommendations and are briefly identified below:

- 1(a). Excess Capacity of Used and Useful Utility Plant in Service;
- 1(b). Excess Capacity Accumulated Depreciation;
- 1(c). Excess Capacity AIAC and net CIAC;
2. Intentionally Left Blank;
3. Intentionally Left Blank; and
4. Working Capital Allowance.

Dr. Fish and Mr. Duffet will address adjustments 1(a) through 1(c) in their testimony. I will present RUCO's working capital allowance adjustment 4.

Rate Base Adjustment 1(a) - Excess Capacity of Used and Useful Utility Plant in Service

Q. Did the Company adopt RUCO's direct testimony rate base adjustment 1(a) – Excess Capacity of Utility Plant in Service (“UPIS”) identified above?

A. No. RUCO consultants, Dr. Fish and Mr. Duffet, will address the Company's rebuttal position regarding RUCO's excess capacity adjustment for used and useful plant in service for Far West's current ratepayers.

...

1 **Q. What adjustment is RUCO recommending here in surrebuttal**
2 **testimony to disallow plant that is not used, useful, and necessary**
3 **for Far West's current ratepayers?**

4 A. RUCO recommends the Commission disallow \$10,936,720 from the
5 Company's requested plant in service balance to be included in rate base.
6 This adjustment is shown on RUCO's Surrebuttal Schedules TJC-2, TJC-
7 3, with the details reflected on TJC-4(a).

8
9 **Q. Would you like to address any other issues raised by the Company's**
10 **rate consultant, Mr. Ray Jones, pertaining to this adjustment?**

11 A. Yes. Since I was the individual for RUCO that was responsible for
12 creating all the revenue requirement schedules, which incorporated Dr.
13 Fish and Mr. Duffet's used and useful UPIS recommendations, I am the
14 appropriate person to address Mr. Jones' rebuttal claims that RUCO's
15 adjustment 4(a) somehow "double dips." On page 17 of his rebuttal
16 testimony, Mr. Jones claims that RUCO's adjustment 1(a) double counts
17 "the Company's Rate Base Adjustment RB-1.7." That is simply a
18 misperception by Mr. Jones that is not true. This matter can be easily
19 clarified by viewing RUCO Exhibit 1, which is an expanded version of
20 RUCO Direct Schedule TJC-4(a) as filed. The schedule filed with the
21 Commission contained additional columns. RUCO Exhibit 1 shows all the
22 columns that were both filed and hidden for illustrative purposes. On
23 Exhibit 1 in column [G], the amount that Mr. Jones refers to above in

1 Company adjustment RB-1.7 is included and thus deducted in the next
2 column labeled [H]. The total amount shown in column [H], \$37,751,132,
3 is the same amount requested by the Company to be included in rate
4 base (See Far West Direct Rate Application Schedule B-1 on page 1 at
5 line 2). Therefore, there is no double count because RUCO recommends
6 a 30.1 percent disallowance of \$10,936,720 to depreciable plant in service
7 which already includes the Company's downward adjustment RB-1.7.
8 Therefore, there is no double count as erroneously asserted by Mr. Jones.
9

10 Rate Base Adjustment 1(b) – Accumulated Depreciation Related to
11 Excess Capacity of Used and Useful Utility Plant in Service

12 **Q. Did the Company adopt RUCO's direct testimony rate base**
13 **adjustment 1(b) – Accumulated Depreciation Related to Excess**
14 **Capacity of Used and Useful Utility Plant in Service ("UPIS")**
15 **identified earlier?**

16 **A.** No. RUCO consultants, Dr. Fish and Mr. Duffet, will address the
17 Company's rebuttal position regarding RUCO's recommended level of
18 accumulated depreciation related to their excess capacity adjustment for
19 used and useful plant in service for Far West's current ratepayers.
20

21 ...
22

1 **Q. What adjustment is RUCO recommending here in surrebuttal**
2 **testimony to remove accumulated depreciation previously calculated**
3 **on plant that is not used, useful, and necessary for Far West's**
4 **current ratepayers?**

5 A. RUCO recommends the Commission remove \$1,488,666 from the
6 Company's accumulated depreciation balance that is included in its direct
7 Application. This adjustment is shown on RUCO's Surrebuttal Schedules
8 TJC-2, TJC-3, with the details reflected on TJC-4(b).

9
10 Rate Base Adjustment 1(c) – Advances in Aid of Construction (AIAC) and
11 Contributions in Aid of Construction (CIAC) Related to Excess Capacity of
12 Used and Useful Utility Plant in Service

13 **Q. Did the Company adopt RUCO's direct testimony rate base**
14 **adjustment 1(c) – Advances in Aid of Construction (AIAC) and**
15 **Contributions in Aid of Construction (CIAC) Related to Excess**
16 **Capacity of Used and Useful Utility Plant in Service ("UPIS")**
17 **identified earlier?**

18 A. No. RUCO consultants, Dr. Fish and Mr. Duffet, will address the
19 Company's rebuttal position regarding RUCO's AIAC and CIAC related to
20 excess capacity adjustment for used and useful plant in service for Far
21 West's current ratepayers.

1 **Q. What adjustment is RUCO recommending here in surrebuttal**
2 **testimony to remove the AIAC and CIAC related to excess capacity**
3 **that is not used, useful, and necessary for Far West's current**
4 **ratepayers?**

5 A. RUCO recommends the Commission remove \$3,255,306 of AIAC and
6 \$246,047 of net CIAC from the Company's respective AIAC and Net CIAC
7 balances that were included in its direct Application. This adjustment is
8 shown on RUCO's Surrebuttal Schedules TJC-2, TJC-3, with the details
9 reflected on TJC-4(c).

10
11 Rate Base Adjustment 2 – Intentionally Left Blank

12
13 Rate Base Adjustment 3 – Intentionally Left Blank

14
15 Rate Base Adjustment 4 – Working Capital Allowance

16 **Q. Does RUCO adopt the Company's cash working capital calculation**
17 **for an allowance to its cash working capital allowance request?**

18 A. Yes.

19
20 **Q. Are there any other issues regarding the Company's adjustment to**
21 **working capital that RUCO would want to address?**

22 A. Yes, there is a minor issue that is incorporated into the Company's
23 rebuttal Schedule B-5 on page 1. The Company shows a working capital

allowance on line 13 as filed being \$1,653,928. That amount is \$10 less than what was reflected in the original rate application of \$1,653,938.

SURREBUTTAL OPERATING INCOME ADJUSTMENTS

Q. What are RUCO's surrebuttal operating income adjustments and briefly identify each one?

A. RUCO had eight direct testimony operating income adjustments, of which two were eliminated in surrebuttal testimony. RUCO added two new surrebuttal adjustments for a total of eight adjustments with slight modifications made to some adjustments that were included in direct testimony. If RUCO recommends an adjustment here in surrebuttal testimony that was either not recommended or is materially different than what was recommended in direct testimony a full description of the adjustment will be noted here in surrebuttal testimony. RUCO's operating income adjustments consist of the following recommendations and are briefly identified below:

1. Depreciation Expense;
2. Property Tax Expense;
3. Repairs and Maintenance Expense;
4. Salaries and Wages Expense;
5. Salaries and Wages Expense;
6. Merit Pay Expense;
7. Bad Debt Expense;
8. Imputed Revenue;
9. Legal Expense; and
10. Income Taxes.

Operating Income Adjustment 1 - Depreciation Expense

Q. Is RUCO recommending a depreciation expense adjustment that is similar to its direct testimony adjustment?

A. Yes. RUCO's surrebuttal depreciation expense adjustment is identical to its direct testimony adjustment that reduces the expense by \$451,872. This adjustment is fully explained in RUCO's direct testimony. This adjustment is shown on RUCO's Surrebuttal Schedules TJC-7, TJC-8, with the details reflected on TJC-9.

Operating Income Adjustment 2 - Property Tax Expense

Q. Is RUCO recommending a property tax expense adjustment that is similar to its direct testimony adjustment?

A. Yes. RUCO's surrebuttal depreciation expense adjustment is similar to its direct testimony adjustment that increases the expense by \$130. This adjustment is fully explained in RUCO's direct testimony. The adjustment is shown on RUCO's Surrebuttal Schedules TJC-7, TJC-8, with the details reflected on TJC-10.

Operating Income Adjustment 3 – Repairs and Maintenance Expense

Q. Is RUCO recommending a repairs and maintenance expense adjustment that is similar to its direct testimony adjustment?

A. No. RUCO eliminated its repairs and maintenance normalization expense adjustment based on the Company's rebuttal testimony. This adjustment is now intentionally left blank.

Operating Income Adjustment 4 – Salaries and Wages Expense

Q. Is RUCO recommending a property tax expense adjustment that is similar to its direct testimony adjustment?

A. Yes. RUCO's surrebuttal depreciation expense adjustment is similar to its direct testimony adjustment that decreases the expense by \$60,247, which is slightly greater than its direct testimony adjustment. The Company adopted Staff's recommendation that was \$5,447 higher than RUCO's original adjustment. However, RUCO contends that an accompanying adjustment to payroll tax expense is also necessary to reduce that expense by \$4,609 to fully capture the impact of the salaries and wages expense adjustment. This adjustment is fully explained in RUCO's direct testimony. The adjustment is shown on RUCO's Surrebuttal Schedules TJC-7, TJC-8, with the details reflected on TJC-12.

Operating Income Adjustment 5 – Salaries and Wages Expense

Q. Did the Company adopt RUCO adjustment 5 that reconciles the general ledger and payroll ledger for salaries and wages expense?

A. Yes. The adjustment reduces the salaries and wages expense by \$1,362. This adjustment is fully explained in RUCO's direct testimony. The adjustment is shown on RUCO's Surrebuttal Schedules TJC-7, TJC-8, with the details reflected on TJC-13.

Operating Income Adjustment 6 – Merit Pay Expense

Q. Is RUCO recommending a merit pay expense adjustment that is similar to its direct testimony adjustment?

A. No. RUCO eliminated its merit pay expense adjustment based on the Company's rebuttal testimony. This adjustment is now intentionally left blank.

Operating Income Adjustment 7 - Bad Debt Expense

Q. Is RUCO recommending a bad debt expense adjustment that is similar to its direct testimony adjustment?

A. Yes. RUCO's surrebuttal depreciation expense adjustment is identical to its direct testimony adjustment that reduces the expense by \$20,450. This adjustment is fully explained in RUCO's direct testimony. The adjustment is shown on RUCO's Surrebuttal Schedules TJC-7, TJC-8, with the details reflected on TJC-15.

1 **Q. Did the Company adopt RUCO's bad debt expense adjustment of**
2 **\$20,450?**

3 A. Yes.

4
5 Operating Income Adjustment 8 - Imputed Revenue

6 **Q. Is RUCO recommending a surrebuttal adjustment that imputes**
7 **revenue from a recreational vehicle park that the Company had failed**
8 **to bill properly?**

9 A. Yes. In a data response to an intervener, the Company admitted that it
10 had failed to bill 47 recreational park lots for monthly revenues. This
11 adjustment captures those lost revenues in the amount of \$3,133. The
12 adjustment is shown on RUCO's Surrebuttal Schedules TJC-7, TJC-8,
13 with the details reflected on TJC-16.

14
15 Operating Income Adjustment 9 – Legal Expense

16 **Q. Is RUCO adopting an adjustment that Far West adopted of Staff's**
17 **concerning some legal expenses that should be considered as non-**
18 **recurring on a going forward basis when the new rates are in affect?**

19 A. Yes. This adjustment reduces legal expense by \$32,975 for non-recurring
20 expenses in the future. The adjustment is shown on RUCO's Surrebuttal
21 Schedules TJC-7, TJC-8, with the details reflected on TJC-17.

22
23 Operating Income Adjustment 10 – Intentionally Left Blank

Operating Income Adjustment 11 – Income Tax Expense

Q. What adjustment is necessary to income tax expense based on RUCO's taxable operating income less income taxes?

A. RUCO's recommended level of operating income less income taxes results in a decrease to income taxes in the amount of \$208,021. The adjustment is shown on RUCO Surrebuttal Schedules TJC-7, TJC-8, with the details reflected on TJC-18 and TJC-1 on page 2 of 2.

Q. Does RUCO's recommended income tax expense adjustment take into effect the impact of the deduction for synchronized interest deduction when calculating the proper income taxes?

A. Yes.

REVENUE REQUIREMENTS

Q. Please summarize the results of RUCO's analysis of the Company's filing and state RUCO's recommended revenue requirements for Far West Sewer Division.

A. As can be seen on my Surrebuttal Schedule TJC-1, a comparison between the Company's and RUCO's recommended revenue increases is presented in both dollar and percentage increases on the following page:

Required Dollar Increase in Gross Revenues

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
\$3,866,046	\$3,514,335	\$2,658,963	\$2,695,215

Required Percentage Increase in Gross Revenues

Company Direct <u>Application</u>	Company Rebuttal <u>Filing</u>	RUCO Direct <u>Recommendation</u>	RUCO Surrebuttal <u>Recommendation</u>
173.52%	157.74%	119.34%	120.80%

Q. Does this conclude your surrebuttal testimony on Far West Sewer Division?

A. Yes, it does, with the exception of my surrebuttal testimony on rate design, which will be filed on April 3, 2013.

EXHIBIT 1

RATE BASE ADJUSTMENT NO. 1(a)
RUCO RECOMMENDED USED AND USEFUL PLANT IN SERVICE

LINE NO.	MARUC ACCT NO.	DESCRIPTION	[A] Plant In Service Per Decision No. 68335 12/31/2004	[B] Adjust Per Audited Financial Statements 12/31/2004	[C] Adjusted Plant 12/31/2004	[D] Net Plant Additions 2005 - 2011	[E] Add Back Rate Base Plant Adjustments	[F] Company Actual Test Year Plant Booked 12/31/2011	[G] Company Book Adjustments	[H] Company Adjusted Plant In Service As Filed	[I] RUCO Excess Capacity Percentage Adjustment	[J] RUCO Excess Capacity Adjustment	[K] RUCO Recommended Plant In Service Balances
1	351	Organization Cost	\$ 3,076	-	\$ 3,076	-	-	\$ 3,076	-	-	30.1%	\$ -	3,076
2	352	Franchise Cost	85,567	354,587	417,154	1,143,693	-	1,560,847	(147,410)	1,413,437	30.1%	-	1,413,437
3	353	Land and Land Rights	203,576	-	203,576	2,420,466	(9,531)	2,633,622	(156,140)	2,477,482	30.1%	-	1,731,760
4	354	Structures & Improvements	-	-	-	68,993	-	68,993	-	68,993	30.1%	745,722	1,731,760
5	355	Power Generating Equipment	-	-	-	-	-	-	-	-	30.1%	20,767	48,226
6	360	Collection Sewers - Force	225,747	-	225,747	3,282,350	(197,379)	3,705,476	(201,148)	3,504,328	30.1%	1,054,803	2,449,525
7	361	Collection Sewers - Gravity	7,671,491	0	7,671,491	1,060,009	(17,640)	8,748,140	(21,563)	8,727,577	30.1%	2,627,001	6,100,576
8	362	Special Collecting Structures	-	-	-	-	-	-	-	-	30.1%	-	-
9	363	Flow Measuring Devices	-	-	-	173,621	-	173,621	-	173,621	30.1%	52,260	121,361
10	364	Flow Measuring Structures	26,725	-	26,725	6,743	-	32,468	-	32,468	30.1%	9,773	22,695
11	365	Flow Measuring Installations	11,378	-	11,378	5,306	-	16,683	-	16,683	30.1%	5,022	11,662
12	366	Reuse Meters and Meter Installations	-	-	-	-	-	-	-	-	30.1%	-	-
13	367	Receiving Wells	-	-	-	2,310	-	2,310	-	2,310	30.1%	695	1,615
14	370	Pumping Equipment	-	-	-	92,784	-	92,784	(18,557)	74,227	30.1%	22,342	51,885
15	371	Reuse Distribution Reservoirs	212,029	-	212,029	1,303,331	19,255	1,495,705	(101,067)	1,395,638	30.1%	420,087	975,551
16	374	Reuse Distribution Structures	-	-	-	-	-	-	-	-	30.1%	-	-
17	375	Reuse Distribution Equipment	-	-	-	-	-	-	-	-	30.1%	-	-
18	380	Treatment and Disposal Equipment	4,627,559	(231,571)	4,395,988	16,437,393	(816,540)	21,650,302	(3,964,890)	17,685,412	30.1%	5,323,509	12,362,103
19	381	Plant Sewers	20,188	-	20,188	716,374	-	736,562	(112,871)	623,691	30.1%	187,725	435,946
20	382	Outfall Sewer Lines	-	-	-	2,256	-	2,256	(451)	1,805	30.1%	543	1,261
21	389	Other Plant and Misc. Equipment	20,877	-	20,877	402,543	4,833	418,687	(24,546)	394,141	30.1%	118,637	275,505
22	390	Office Furniture & Equipment	7,530	-	7,530	249,762	-	257,292	(2,720)	254,572	30.1%	76,626	177,946
23	390.1	Computers & Software	13,442	-	13,442	16,584	-	30,027	(18,670)	11,356	30.1%	3,418	7,938
24	391	Transportation Equipment	193,939	-	193,939	77,871	-	271,810	-	271,810	30.1%	81,815	189,995
25	392	Storage Equipment	-	-	-	-	-	-	-	-	30.1%	-	-
26	393	Storage Structures	-	-	-	27,069	-	27,069	-	27,069	30.1%	8,148	18,921
27	394	Laboratory Equipment	4,236	-	4,236	29,473	-	33,709	(16,292)	17,417	30.1%	5,430	28,847
28	395	Power Operated Equipment	2,940	-	2,940	178,727	-	181,667	-	181,667	30.1%	54,682	126,985
29	396	Communications Equipment	-	-	-	17,191	-	17,191	-	17,191	30.1%	5,174	12,016
30	397	Miscellaneous Equipment	93,591	-	93,591	110,913	-	204,504	(68,153)	136,351	30.1%	41,042	95,309
31	398	Other Tangible Plant	-	-	-	238,828	-	238,828	-	238,828	30.1%	71,887	166,941
32		Totals	\$ 13,420,251	\$ 102,617	\$ 13,522,867	\$ 28,065,591	\$ 42,605,611	\$ 37,751,132	\$ (4,854,479)	\$ 32,896,653		\$ 10,936,720	\$ 26,814,412
33		Company As Filed											37,751,132
34		RUCO Adjustment - Increase / (Decrease) in Plant											\$ (10,936,720)

References:
Column [A]: Per Company Schedule B-2, page 2 on Line 37 - Actual End of Test Year Booked Plant Balances
Column [B]: Per Company Schedule B-2, page 2 on Line 42 - Increase / (Decrease) in Plant in Service
Column [C]: Per Company Schedule B-2, page 2 on Line 37 - Adjusted End of Test Year Plant Balances
Column [D]: Per RUCO Witness Thomas Fish Testimony
Column [E]: Column [C] X [D] with the Exception of Non-Depreciable Accounts 351, 352, and 353
Column [F]: Column [C] - [E] - RUCO Recommended Plant Balances

TABLE OF CONTENTS TO TJC SCHEDULES

SCH. NO.	PAGE NO.	TITLE
TJC-1	1 & 2	REVENUE REQUIREMENT AND GROSS REVENUE CONVERSION COMPONENT FACTOR
TJC-2	1	RATE BASE
TJC-3	1	SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS
TJC-4(a)	1	RATE BASE ADJUSTMENT NO. 1(a) - RUCO RECOMMENDED EXCESS PLANT CAPACITY ADJUSTMENT
TJC-4(b)	1	RATE BASE ADJUSTMENT NO. 1(b) - RUCO RECOMMENDED EXCESS CAPACITY ACCUMULATED DEPRECIATION ADJUSTMENT
TJC-4(c)	1	RATE BASE ADJUSTMENT NO. 1(c) - RUCO RECOMMENDED EXCESS CAPACITY AIAC & CIAC ADJUSTMENT
TJC-5		RATE BASE ADJUSTMENT NO. 2 - INTENTIONALLY LEFT BLANK
TJC-6		RATE BASE ADJUSTMENT NO. 3 - INTENTIONALLY LEFT BLANK RATE BASE ADJUSTMENT NO. 4 - INTENTIONALLY LEFT BLANK
TJC-7	1	OPERATING INCOME SUMMARY
TJC-8	1	SUMMARY OF OPERATING INCOME ADJUSTMENTS
TJC-9	1	OPERATING INCOME ADJUSTMENT NO. 1 - DEPRECIATION EXPENSE ADJUSTMENT
TJC-10	1	OPERATING INCOME ADJUSTMENT NO. 2 - PROPERTY TAX EXPENSE ADJUSTMENT
TJC-11	1	OPERATING INCOME ADJUSTMENT NO. 3 - INTENTIONALLY LEFT BLANK
TJC-12	1	OPERATING INCOME ADJUSTMENT NO. 4 - SALARIES & WAGE EXPENSE - OFFICERS & DIRECTORS ADJUSTMENT
TJC-13	1	OPERATING INCOME ADJUSTMENT NO. 5 - SALARIES & WAGE EXPENSE ADJUSTMENT
TJC-14	1	OPERATING INCOME ADJUSTMENT NO. 6 - INTENTIONALLY LEFT BLANK
TJC-15	1	OPERATING INCOME ADJUSTMENT NO. 7 - BAD DEBT EXPENSE ADJUSTMENT
TJC-16		OPERATING INCOME ADJUSTMENT NO. 8 - IMPUTED REVENUE
TJC-17		OPERATING INCOME ADJUSTMENT NO. 9 - LEGAL EXPENSE OPERATING INCOME ADJUSTMENT NO. 10 - INTENTIONALLY LEFT BLANK
TJC-18	1	OPERATING INCOME ADJUSTMENT NO. 11 - INCOME TAX EXPENSE ADJUSTMENT
TJC-19	1	COST OF CAPITAL - WAR TESTIMONY

LINE NO.	DESCRIPTION	[A] COMPANY OCRB/FVRB COST	[B] RUCO OCRB/FVRB COST
1	Adjusted Original Cost/Fair Value Rate Base	\$ 22,800,578	\$ 16,679,237
2	Adjusted Operating Income (Loss)	\$ (1,187,812)	\$ (405,272)
3	Current Rate of Return (L2 / L1)	-5.21%	-2.43%
4	Required Operating Income (L5 X L1)	\$ 1,689,390	\$ 1,217,584
5	Required Rate of Return on Fair Value Rate Base	7.409%	7.300%
6	Operating Income Deficiency (L4 - L2)	\$ 2,877,202	\$ 1,622,856
7	Gross Revenue Conversion Factor (TJC-1, Page 2)	1.3437	1.6608
8	Required Increase in Gross Revenue Requirement (L7 X L6)	\$ 3,866,046	\$ 2,695,215
9	Adjusted Test Year Revenue	\$ 2,227,982	\$ 2,231,115
10	Proposed Annual Revenue (L8 + L9)	\$ 6,094,028	\$ 4,926,330
11	Required Percentage Increase in Revenue (L8 / L9)	173.52%	120.80%
12	Rate of Return on Common Equity	10.00%	9.25%

References:

Column [A]: Company Schedules A-1 and C-1

Column [B]: RUCO Schedule TJC-2, TJC-6, and TJC-16

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	[A]	[B]	[C]
<u>Calculation of Gross Revenue Conversion Factor:</u>				
1	Revenue	100.0000%		
2	Uncollectible Factor	0.3590%		
3	Revenues (L1 - L2)	99.6410%		
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	39.4285%		
5	Subtotal (L3 - L4)	60.2125%		
6	Revenue Conversion Factor (L1 / L5)	1.660785		
<u>Calculation of Uncollectible Factor:</u>				
7	Unity	100.0000%		
8	Combined Federal and State Tax Rate (Line 17)	38.5805%		
9	One Minus Combined Income Tax Rate (L7 - L8)	61.4195%		
10	Uncollectible Rate	0.00584		
11	Uncollectible Factor (L9 * L10)	0.3590%		
<u>Calculation of Effective Tax Rate:</u>				
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%		
13	Arizona State Income Tax Rate	6.9680%		
14	Federal Taxable Income (L12 - L13)	93.0320%		
15	Applicable Federal Income Tax Rate (Col. [C], L53)	33.9802%		
16	Effective Federal Income Tax Rate (L14 x L15)	31.6125%		
17	Combined Federal and State Income Tax Rate (L13 + L16)		38.5805%	
<u>Calculation of Effective Property Tax Factor</u>				
18	Unity	100.0000%		
19	Combined Federal and State Income Tax Rate (Col. [B], L17)	38.5805%		
20	One Minus Combined Income Tax Rate (L18-L19)	61.4195%		
21	Property Tax Factor (Sch. TJC-9, Col. [B], L24)	1.3808%		
22	Effective Property Tax Factor (L20 x L21)		0.8481%	
23	Combined Federal and State Income Tax and Property Tax Rate (Col. [B], L17 + L22)			39.4285%
24	Required Operating Income (Sch. TJC-1, Col. [B] Line 4)	\$ 1,217,584		
25	Adjusted Test Year Operating Income (Loss) (Sch. TJC-1, Col. [B], L2)	(405,272)		
26	Required Increase in Operating Income (L24 - L25)		\$ 1,622,856	
27	Income Taxes on Recommended Revenue (Col. [C], L52)	\$ 134,466		
28	Income Taxes on Test Year Revenue (Col. [A], L52)	(884,926)		
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		1,019,391	
30	Recommended Revenue Requirement (Sch. TJC-1, Col. [B], Line 10)	\$ 4,926,330		
31	Uncollectible Rate (L10)	0.5845%		
32	Uncollectible Expense on Recommended Revenue (L30 x L31)	\$ 28,792		
33	Adjusted Test Year Uncollectible Expense (Sch. TJC-6, Col. [C], L32)	\$ 13,040		
34	Required Increase in Revenue to Provide for Uncollectible Exp. (L32 - L33)		15,752	
35	Property Tax with Recommended Revenue (Sch. TJC-9, Col. [B], L19)	\$ 133,073		
36	Property Tax on Test Year Revenue (Sch. TJC-9, Col. [B], L20)	95,858		
37	Increase in Property Tax Due to Increase in Revenue (L35 - 36)		37,215	
38	Total Required Increase in Revenue (Col. [B], L26 + L29 + L34 + L37)		\$ 2,695,215	
<u>Calculation of Income Tax:</u>				
39	Revenue (Sch. TJC-1, Col. [B], Line 9 & Sch. TJC-1, Col. [B], L10)	\$ 2,231,115	\$ 2,695,215	\$ 4,926,330
40	Operating Expenses Excluding Income Taxes	\$ 3,521,313		\$ 3,574,280
41	Synchronized Interest (Col. [C], L57)	\$ 1,002,422		\$ 1,002,422
42	Arizona Taxable Income (L39 - L40 - L41)	\$ (2,292,620)		\$ 349,628
43	Arizona State Income Tax Rate	6.9680%		6.9680%
44	Arizona Income Tax (L42 x L43)	\$ (159,750)		\$ 24,362
45	Federal Taxable Income (L42 - L44)	\$ (2,132,870)		\$ 325,266
46	Federal Tax on First Income Bracket (\$1 - \$50,000) @ 15%	\$ (7,500)		\$ 7,500
47	Federal Tax on Second Income Bracket (\$51,001 - \$75,000) @ 25%	\$ (6,250)		\$ 6,250
48	Federal Tax on Third Income Bracket (\$75,001 - \$100,000) @ 34%	\$ (8,500)		\$ 8,500
49	Federal Tax on Fourth Income Bracket (\$100,001 - \$335,000) @ 39%	\$ (91,650)		\$ 87,854
50	Federal Tax on Fifth Income Bracket (\$335,001 - \$10,000,000) @ 34%	\$ (611,276)		\$ -
51	Total Federal Income Tax	\$ (725,176)		\$ 110,104
52	Combined Federal and State Income Tax (L44 + L51)	\$ (884,926)		\$ 134,466
53	Applicable Federal Income Tax Rate [Col. [C], L46 - Col. [A], L46] / [Col. [C], L40 - Col. [A], L40]			33.9802%
54	<u>Synchronized Interest Calculation</u>			
55	Rate Base		\$ 16,679,237	
56	x Weighted Average Cost of Debt		6.01%	
57	Synchronized Interest		\$ 1,002,422	

RATE BASE - ORIGINAL COST

LINE NO.	DESCRIPTION	[A] COMPANY AS FILED OCRB/FVRB	[B] RUCO OCRB/FVRB ADJUSTMENTS	[C] RUCO ADJ'TED OCRB/FVRB
1	Gross Utility Plant in Service	\$ 37,751,132	\$ (10,936,720)	\$ 26,814,412
2				
3	Less:			
4	Accumulated Depreciation	(4,945,733)	1,488,666	(3,457,068)
5				
6	Net Utility Plant in Service (L1 less L4)	\$ 32,805,399	\$ (9,448,055)	\$ 23,357,344
7				
8	Advances in Aid of Construction	(10,814,970)	3,255,306	(7,559,664)
9				
10	Contributions in Aid of Construction (CIAC)	(1,726,854)	519,783	(1,207,071)
11	Accumulated Amortization of CIAC	909,423	(273,736)	635,687
12	Net CIAC (L10 less L11)	\$ (817,431)	\$ 246,047	\$ (571,384)
13				
14	Customer Deposits	(26,359)	-	(26,359)
15	Accumulated Deferred Income Taxes (ADIT)	-	-	-
16				
17	Add:			
18	Allowance for Working Capital	\$ 1,653,938	\$ (174,639)	\$ 1,479,299
19				
20	Net Regulatory Asset / (Liability)	-	-	-
21				
22				
23	TOTAL RATE BASE (Sum L's 6, 8, 12, & 14 Thru 20)	<u>\$ 22,800,578</u>	<u>\$ (6,121,341)</u>	<u>\$ 16,679,237</u>

References:

Column (A): Company Schedule B-1

Column (B): Schedule TJC-3

Column (C): Column (A) + Column (B)

SUMMARY OF ORIGINAL COST RATE BASE ADJUSTMENTS

LINE NO.	DESCRIPTION	(A) COMPANY AS FILED OCRB/FVRB	(B) ADJMT NO. 1(a) PLANT BALANCES	(C) ADJMT NO. 1(b) ACCUMULATED DEPRECIATION	(D) ADJMT NO. 1(c) EXCESS CAP. AIAC & CIAC	(E) ADJMT NO. 2 INTENTIONALLY LEFT BLANK	(F) ADJMT NO. 3 INTENTIONALLY LEFT BLANK	(G) ADJMT NO. 4 WORKING CAPITAL	(H) RUCO ADJUSTED OCRB/FVRB
1	Gross Utility Plant in Service	\$37,751,132	\$ (10,936,720)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,814,412
2									
3	Less:								
4	Accumulated Depreciation	(4,945,733)	-	1,488,666	-	-	-	-	(3,457,068)
5									
6	Net Utility Plant in Service (L1 less L4)	\$32,805,399	\$ (10,936,720)	\$ 1,488,666	\$ -	\$ -	\$ -	\$ -	\$ 23,357,344
7									
8	Advances in Aid of Construction	(10,814,970)	-	-	3,255,306	-	-	-	(7,559,664)
9									
10	Contributions in Aid of Construction (CIAC)	(1,726,854)	-	-	519,783	-	-	-	(1,207,071)
11	Accumulated Amortization of CIAC	909,423	-	-	(273,736)	-	-	-	635,687
12	Net CIAC (L10 less L11)	\$ (817,431)	\$ -	\$ -	\$ 246,047	\$ -	\$ -	\$ -	(571,384)
13									
14	Customer Deposits	(26,359)	-	-	-	-	-	-	(26,359)
15	Accumulated Deferred Income Taxes (ADIT)	-	-	-	-	-	-	-	-
16									
17	Add:								
18	Allowance for Working Capital	\$ 1,653,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (174,639)	\$ 1,479,299
19									
20	Net Regulatory Asset / (Liability)	-	-	-	-	-	-	-	-
21									
22									
23	TOTAL RATE BASE (Sum L's 6, 8, 12, & 14 Thru 20)	\$22,800,578	\$ (10,936,720)	\$ 1,488,666	\$ 3,501,353	\$ -	\$ -	\$ (174,639)	\$ 16,679,237

References:

Column (A): Company Schedule B-2
Column (B): Adjustment No. 1(a) - Adjust Test-Year Plant for Excess Capacity (See TJC-4(a) and T. Fish Testimony)
Column (C): Adjustment No. 1(b) - Adjust Accumulated Depreciation for Excess Capacity (See Schedule TJC-4(b) and T. Fish Testimony)
Column (D): Adjustment No. 1(c) - AIAC & CIAC Excess Capacity (See Schedule TJC-4(c))
Column (E): Adjustment No. 2 - Intentionally Left Blank
Column (F): Adjustment No. 3 - Intentionally Left Blank
Column (G): Adjustment No. 4 - Working Capital
Column (H): Sum Of Columns (A), (B), (C), (D), (E), (F) & (G)

RATE BASE ADJUSTMENT NO. 1(a)
RUCO RECOMMENDED USED AND USEFUL PLANT IN SERVICE

LINE NO.	NARUC ACCT NO.	DESCRIPTION	[A] Company Actual Test Year Plant Booked 12/31/2011	[B] Company Book Adjustments	[C] Company Adjusted Plant in Service As Filed	[D] RUCO Excess Capacity Percentage Adjustment	[E] RUCO Excess Capacity Adjustment	[F] RUCO Recommended Plant in Service Balances
1	351	Organization Cost	\$ -	\$ -	\$ -	30.1%	\$ -	\$ -
2	352	Franchise Cost	3,076	-	3,076	30.1%	-	3,076
3	353	Land and Land Rights	1,560,847	(147,410)	1,413,437	30.1%	-	1,413,437
4	354	Structures & Improvements	2,633,622	(156,140)	2,477,482	30.1%	745,722	1,731,760
5	355	Power Generating Equipment	68,993	-	68,993	30.1%	20,767	48,226
6	360	Collection Sewers - Force	3,705,476	(201,148)	3,504,328	30.1%	1,054,803	2,449,525
7	361	Collection Sewers - Gravity	8,749,140	(21,563)	8,727,577	30.1%	2,627,001	6,100,576
8	362	Special Collecting Structures	-	-	-	30.1%	-	-
9	363	Services to Customers	173,621	-	173,621	30.1%	52,260	121,361
10	364	Flow Measuring Devices	32,468	-	32,468	30.1%	9,773	22,695
11	365	Flow Measuring Installations	16,683	-	16,683	30.1%	5,022	11,662
12	366	Reuse Services	-	-	-	30.1%	-	-
13	367	Reuse Meters and Meter Installations	2,310	-	2,310	30.1%	695	1,615
14	370	Receiving Wells	92,784	(18,557)	74,227	30.1%	22,342	51,885
15	371	Pumping Equipment	1,496,705	(101,067)	1,395,638	30.1%	420,087	975,551
16	374	Reuse Distribution Reservoirs	-	-	-	30.1%	-	-
17	375	Reuse Transmission and Dist. Sys.	-	-	-	30.1%	-	-
18	380	Treatment and Disposal Equipment	21,650,302	(3,964,890)	17,685,412	30.1%	5,323,309	12,362,103
19	381	Plant Sewers	736,542	(112,871)	623,671	30.1%	187,725	435,946
20	382	Outfall Sewer Lines	2,256	(451)	1,805	30.1%	543	1,261
21	389	Other Plant and Misc. Equipment	418,687	(24,546)	394,141	30.1%	118,637	275,505
22	390	Office Furniture & Equipment	257,292	(2,720)	254,572	30.1%	76,626	177,946
23	390.1	Computers & Software	30,027	(18,670)	11,356	30.1%	3,418	7,938
24	391	Transportation Equipment	271,810	-	271,810	30.1%	81,815	189,995
25	392	Stores Equipment	-	-	-	30.1%	-	-
26	393	Tools, Shop & Garage Equipment	27,069	-	27,069	30.1%	8,148	18,921
27	394	Laboratory Equipment	33,710	(16,292)	17,418	30.1%	5,243	12,175
28	395	Power Operated Equipment	181,667	-	181,667	30.1%	54,682	126,985
29	396	Communications Equipment	17,191	-	17,191	30.1%	5,174	12,016
30	397	Miscellaneous Equipment	204,504	(68,153)	136,351	30.1%	41,042	95,309
31	398	Other Tangible Plant	238,828	-	238,828	30.1%	71,887	166,941
32		Totals	\$ 42,605,611	\$ (4,854,479)	\$ 37,751,132		\$ 10,936,720	\$ 26,814,412
33		Company As Filed						37,751,132
34		RUCO Adjustment - Increase / (Decrease) in Plant					\$ (10,936,720)	

References:

Column [A]: Per Company Schedule B-2, page 2 on Line 37 - Actual End of Test Year Booked Plant Balances
Column [B]: Per Company Schedule B-2, page 2 on Line 42 - Increase / (Decrease) in Plant in Service
Column [C]: Per Company Schedule B-2, page 2 on Line 37 - Adjusted End of Test Year Plant Balances
Column [D]: Per RUCO Witness Thomas Fish Testimony
Column [E]: Column [C] X [D] with the Exception of Non-Depreciable Accounts 351, 352, and 353
Column [F]: Column [C] - [E] - RUCO Recommended Plant Balances

RATE BASE ADJUSTMENT NO. 1(b)
RUCO RECOMMENDED ACCUMULATED DEPRECIATION

LINE NO.	NARUC ACCT NO.	DESCRIPTION	[A] Company Actual Test Year Accum. Depre. 12/31/2011	[B] Company Book Adjustments	[C] Company Accumulated Depreciation As Filed	[D] RUCO Excess Capacity Percentage Adjustment	[E] RUCO Excess Capacity Adjustment	[F] RUCO Recommended Accum. Depre. Balances
1	351	Organization Cost	\$ -	\$ -	\$ -	30.1%	\$ -	\$ -
2	352	Franchise Cost	-	-	-	30.1%	-	-
3	353	Land and Land Rights	-	-	-	30.1%	-	-
4	354	Structures & Improvements	138,113	(86,844)	51,270	30.1%	15,432	35,837
5	355	Power Generating Equipment	1,725	-	1,725	30.1%	519	1,206
6	360	Collection Sewers - Force	181,585	(27,458)	154,126	30.1%	46,392	107,734
7	361	Collection Sewers - Gravity	1,723,051	(10,564)	1,712,487	30.1%	515,459	1,197,028
8	362	Special Collecting Structures	-	-	-	30.1%	-	-
9	363	Services to Customers	8,395	(3,697)	4,698	30.1%	1,414	3,284
10	364	Flow Measuring Devices	29,877	2,591	32,468	30.1%	9,773	22,695
11	365	Flow Measuring Installations	13,766	2,918	16,683	30.1%	5,022	11,662
12	366	Reuse Services	-	-	-	30.1%	-	-
13	367	Reuse Meters and Meter Installations	96	-	96	30.1%	29	67
14	370	Receiving Wells	1,546	(309)	1,237	30.1%	372	865
15	371	Pumping Equipment	397,823	44,393	442,217	30.1%	133,107	309,109
16	374	Reuse Distribution Reservoirs	-	-	-	30.1%	-	-
17	375	Reuse Transmission and Dist. Sys.	-	-	-	30.1%	-	-
18	380	Treatment and Disposal Equipment	3,825,791	(1,741,708)	2,084,083	30.1%	627,309	1,456,774
19	381	Plant Sewers	27,488	(8,302)	19,186	30.1%	5,775	13,411
20	382	Outfall Sewer Lines	38	(8)	30	30.1%	9	21
21	389	Other Plant and Misc. Equipment	45,316	(30,304)	15,012	30.1%	4,519	10,493
22	390	Office Furniture & Equipment	31,463	(4,279)	27,184	30.1%	8,182	19,001
23	390.1	Computers & Software	25,306	(21,597)	3,709	30.1%	1,117	2,593
24	391	Transportation Equipment	125,372	68,655	194,028	30.1%	58,402	135,625
25	392	Stores Equipment	-	-	-	30.1%	-	-
26	393	Tools, Shop & Garage Equipment	3,124	-	3,124	30.1%	940	2,184
27	394	Laboratory Equipment	21,263	(20,469)	793	30.1%	239	554
28	395	Power Operated Equipment	23,457	-	23,457	30.1%	7,061	16,397
29	396	Communications Equipment	1,182	-	1,182	30.1%	356	826
30	397	Miscellaneous Equipment	137,179	(87,714)	49,465	30.1%	14,889	34,576
31	398	Other Tangible Plant	107,473	-	107,473	30.1%	32,349	75,123
32		Totals	\$ 6,870,429	\$ (1,924,696)	\$ 4,945,733		\$ 1,488,666	\$ 3,457,067
33		Company As Filed						4,945,733
34		RUCO Adjustment - (Increase) / Decrease in Accumulated Depreciation					\$	1,488,666

References:

Column [A]: Per Company Schedule B-2, page 3 on Line 37 - Actual End of Test Year Booked Accumulated Depreciation Balances
Column [B]: Per Company Schedule B-2, page 3 on Line 42 - Increase / (Decrease) in Accumulated Depreciation
Column [C]: Per Company Schedule B-2, page 3 on Line 37 - Adjusted End of Test Year Accumulated Depreciation Balances
Column [D]: Per RUCO Witness Thomas Fish Testimony
Column [E]: Column [C] X [D] with the Exception of Non-Depreciable Accounts 351, 352, and 353
Column [F]: Column [C] - [E] - RUCO Recommended Accumulated Depreciation Balances

RATE BASE ADJUSTMENT NO. 1(c)
REMOVE 30.1% OF AIAC AND NET CIAC FOR EXCESS CAPACITY FACTOR

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1		
2	Advances in Aid of Construction (AIAC) As Filed by Company	\$ (10,814,970)
3	Excess Capacity Factor	30.1%
4		
5	RUCO Adjustment	<u>\$ 3,255,306</u>
6		
7		
8		
9	Contributions in Aid of Construction (CIAC) As Filed by Company	\$ (1,726,854)
10	Excess Capacity Factor	30.1%
11		
12	RUCO Adjustment	<u>\$ 519,783</u>
13		
14		
15	Accumulated Amortization of CIAC As Filed by Company	\$ 909,423
16	Excess Capacity Factor	30.1%
17		
18	RUCO Adjustment	<u>\$ (273,736)</u>
19		
20		
21		
22	Total RUCO Adjustment	<u>\$ 3,501,353</u>

Far West Water & Sewer, Inc.
Docket No. WS-03478A-12-0307
Test Year Ended December 31, 2011

Wastewater Division
Surrebuttal Schedule TJC-5
Page 1 of 1

RATE BASE ADJUSTMENT NO. 2
INTENTIONALLY LEFT BLANK

Line No.	Description	Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		

Far West Water & Sewer, Inc.
Docket No. WS-03478A-12-0307
Test Year Ended December 31, 2011

Wastewater Division
Surrebuttal Schedule TJC-6
Page 1 of 1

**RATE BASE ADJUSTMENT NO. 3
INTENTIONALLY LEFT BLANK**

Line No.	Description	Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		

OPERATING INCOME SUMMARY

LINE NO.	NARUC ACCOUNT NO.	DESCRIPTION	[A] COMPANY AS FILED	[B] RUCO TEST YEAR ADJMT'S	[C] RUCO TEST YEAR AS ADJ'TED	[D] RUCO PROP'D CHANGES	[E] RUCO AS RECOMM'D
1		Revenues:					
2	413	Income Utility Plant Leased to Others	\$ -	\$ -	\$ -	\$ -	\$ -
3	521	Flat Rate Revenue	2,053,159	3,133	2,056,292	2,695,215	4,751,507
4	536	Other Sewer Revenues	43,064	-	43,064	-	43,064
5	541	Metered Reuse Revenue	131,759	-	131,759	-	131,759
6		Total Sewer Revenues	\$ 2,227,982	\$ 3,133	\$ 2,231,115	\$ 2,695,215	\$ 4,926,330
7		Operating Expenses:					
8	701	Salaries and Wages	\$ 802,071	\$ -	\$ 802,071	\$ -	\$ 802,071
9	703	Salaries and Wages - Officers and Directors	137,000	(61,609)	75,391	-	75,391
10	704	Employee Pension and Benefits	27,421	-	27,421	-	27,421
11	710	Purchased Sewer Treatment	-	-	-	-	-
12	711	Sludge Removal Expense	55,247	-	55,247	-	55,247
13	715	Purchased Power	342,364	-	342,364	-	342,364
14	718	Chemicals	219,910	-	219,910	-	219,910
15	720	Repairs and Maintenance	181,981	-	181,981	-	181,981
16	731	Contractual Services - Engineering	-	-	-	-	-
17	732	Contractual Services - Accounting	7,230	-	7,230	-	7,230
18	733	Contractual Services - Legal	43,865	(32,975)	10,890	-	10,890
19	734	Contractual Services - Management Fees	-	-	-	-	-
20	735	Contractual Services - Testing	147,025	-	147,025	-	147,025
21	736	Contractual Services - Other	60,716	-	60,716	-	60,716
22	741	Rent - Buildings	20,669	-	20,669	-	20,669
23	742	Rent - Equipment	45,758	-	45,758	-	45,758
24	750	Transportation Expense	129,723	-	129,723	-	129,723
25	756	Insurance - Vehicle	12,610	-	12,610	-	12,610
26	757	Insurance - General Liability	33,142	-	33,142	-	33,142
27	758	Insurance - Workman's Compensation	17,125	-	17,125	-	17,125
28	759	Insurance - Other	-	-	-	-	-
29	760	Advertising Expense	476	-	476	-	476
30	766	Regulatory Commission Expense - Rate Case	75,000	-	75,000	-	75,000
31	767	Regulatory Expense - Other	-	-	-	-	-
32	770	Bad Debt Expense	33,490	(20,450)	13,040	15,752	28,792
33	775	Miscellaneous Expense	30,503	-	30,503	-	30,503
34	403	Depreciation Expense	1,497,193	(451,872)	1,045,320	-	1,045,320
35	408	Taxes Other Than Income	76,451	(4,609)	71,842	-	71,842
36	408.11	Property Taxes	95,728	130	95,858	37,215	133,073
37	409	Income Tax	(676,904)	(208,021)	(884,926)	1,019,391	134,466
38		Total Operating Expenses	\$ 3,415,794	\$ (779,406)	\$ 2,636,387	\$ 1,072,359	\$ 3,708,746
39		Operating Income	<u>\$ (1,187,812)</u>	<u>\$ 782,540</u>	<u>\$ (405,272)</u>	<u>\$ 1,622,856</u>	<u>\$ 1,217,584</u>

References:

Column [A]: Company Schedule C-1
Column [B]: TJC-9, Columns [B] Thru [L]
Column [C]: Column [A] + Column [B]
Column [D]: TJC-1, pages 1 Thru 2
Column [E]: Column [C] + Column [D]

SUMMARY OF OPERATING INCOME ADJUSTMENTS
TEST YEAR AS FILED AND ADJUSTMENTS

LINE NO.	NARUC ACCOUNT NO.	DESCRIPTION	(A) COMPANY AS FILED	(B) ADJMT NO. 1 DEPRECIATION EXPENSE	(C) ADJMT NO. 2 PROPERTY TAX EXPENSE	(D) ADJMT NO. 3 INTENTIONALLY LEFT BLANK	(E) ADJMT NO. 4 SALARIES & WAGE EXPENSE	(F) ADJMT NO. 5 SALARIES & WAGE EXPENSE	(G) ADJMT NO. 6 INTENTIONALLY LEFT BLANK	(H) ADJMT NO. 7 BAD DEBT EXPENSE	(I) ADJMT NO. 8 IMPUTED REVENUE	(J) ADJMT NO. 9 EXPENSE	(K) ADJMT NO. 10 INTENTIONALLY LEFT BLANK	(L) ADJMT NO. 11 INCOME TAXES	(M) RUCO AS FILED
1	413	Revenue:													
2	414	Income Utility Plant Leased to Others	2,053,169	-	-	-	-	-	-	-	-	-	-	-	2,053,169
3	415	Other Revenue	43,064	-	-	-	-	-	-	-	3,133	-	-	-	43,064
4	538	Other Sewer Revenues	131,759	-	-	-	-	-	-	-	-	-	-	-	131,759
5	541	Mixed Sewer Revenue	2,227,982	-	-	-	-	-	-	-	3,133	-	-	-	2,231,115
6		Total Sewer Revenues													
7		Operating Expenses:													
8	701	Salaries and Wages - Officers and Directors	802,071	-	-	-	-	-	-	-	-	-	-	-	802,071
9	703	Salaries and Wages - Officers and Directors	137,000	-	-	-	-	-	-	-	-	-	-	-	137,000
10	704	Employee Pension and Benefits	27,421	-	-	-	-	-	-	-	-	-	-	-	27,421
11	705	Employee Pension and Benefits	55,247	-	-	-	-	-	-	-	-	-	-	-	55,247
12	711	Shrinkage Removal Expense	342,364	-	-	-	-	-	-	-	-	-	-	-	342,364
13	715	Purchased Power	219,910	-	-	-	-	-	-	-	-	-	-	-	219,910
14	718	Chemicals	181,361	-	-	-	-	-	-	-	-	-	-	-	181,361
15	719	Repairs & Maintenance	7,230	-	-	-	-	-	-	-	-	-	-	-	7,230
16	721	Contractual Services - Engineering	43,865	-	-	-	-	-	-	-	-	-	-	-	43,865
17	732	Contractual Services - Accounting	147,025	-	-	-	-	-	-	-	-	-	-	-	147,025
18	733	Contractual Services - Legal	60,716	-	-	-	-	-	-	-	-	-	-	-	60,716
19	734	Contractual Services - Management Fees	20,669	-	-	-	-	-	-	-	-	-	-	-	20,669
20	735	Contractual Services - Other	45,758	-	-	-	-	-	-	-	-	-	-	-	45,758
21	738	Rent - Buildings	12,610	-	-	-	-	-	-	-	-	-	-	-	12,610
22	741	Rent - Equipment	33,142	-	-	-	-	-	-	-	-	-	-	-	33,142
23	742	Insurance - General Liability	17,125	-	-	-	-	-	-	-	-	-	-	-	17,125
24	743	Insurance - Workman's Compensation	476	-	-	-	-	-	-	-	-	-	-	-	476
25	756	Insurance - Other	75,000	-	-	-	-	-	-	-	-	-	-	-	75,000
26	757	Regulatory Commission Expense - Rate Case	33,490	-	-	-	-	-	-	-	-	-	-	-	33,490
27	758	Regulatory Commission Expense - Other	1,497,193	-	-	-	-	-	-	-	-	-	-	-	1,497,193
28	759	Bad Debt Expense	(451,872)	-	-	-	-	-	-	-	-	-	-	-	(451,872)
29	760	Depreciation Expense	78,451	-	-	-	-	-	-	-	-	-	-	-	78,451
30	766	Property Taxes	95,728	-	-	-	-	-	-	-	-	-	-	-	95,728
31	767	Income Tax	(653,904)	-	-	-	-	-	-	-	-	-	-	-	(653,904)
32	770	Total Operating Expenses	\$ 3,415,794	\$ (451,872)	\$ 130	\$ -	\$ (64,856)	\$ (1,362)	\$ -	\$ (20,450)	\$ -	\$ (32,975)	\$ -	\$ (208,021)	\$ 2,606,792
33		Operating Income	\$ 1,187,812	\$ 451,872	\$ 1,150	\$ -	\$ 64,856	\$ 1,362	\$ -	\$ 20,450	\$ 3,133	\$ 32,975	\$ -	\$ 208,021	\$ 4,055,272

ADJUSTMENTS:
1 Depreciation Expense
2 Depreciation Expense
3 Normalized Repairs & Maintenance Expense
4 Salaries & Wage Expense
5 Salaries & Wage Expense
6 Salaries & Wage Expense
7 Normalized Bad Debt Expense
8 Intentionally Left Blank
9 Intentionally Left Blank
10 Intentionally Left Blank
11 Income Tax Expense

REFERENCE:
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-8 on Pages 1 of 1
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-8 on Pages 1 of 1
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-10 on Pages 1 of 1
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-11 on Pages 1 of 1
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-12 on Pages 1 of 1
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-13 on Pages 1 of 1
TUC Testimony and Schedule TUC-6, TUC-7 and TUC-14 on Pages 1 of 1
Not Used
Not Used
TUC Testimony and Schedule TUC-1 on Pages 2 & 3, TUC-6, TUC-7 and TUC-15 on Pages 1 of 1

DESCRIPTION:
Depreciation Expense
Depreciation Expense
Repairs & Maintenance Expense
Salaries & Wage Expense - Officers and Directors
Salaries & Wage Expense
Salaries & Wage Expense
Bad Debt Expense
Intentionally Left Blank
Intentionally Left Blank
Income Tax Expense

OPERATING INCOME ADJUSTMENT NO. 1
TEST YEAR DEPRECIATION EXPENSE

LINE NO.	NARUC ACCOUNT NO.	ACCOUNT NAME	(A) RUCO TOTAL DEPRECIABLE PLANT	(B) COMPANY PROPOSED DEP. RATES	(C) TEST YEAR DEPRECIATION EXPENSE
1	351	Organization Cost	\$ -	0.00%	\$ -
2	352	Franchise Cost	3,076	0.00%	-
3	353	Land and Land Rights	1,413,437	0.00%	-
4	354	Structures & Improvements	1,731,760	3.33%	57,668
5	355	Power Generating Equipment	48,226	5.00%	2,411
6	360	Collection Sewers - Force	2,449,525	2.00%	48,991
7	361	Collection Sewers - Gravity	6,100,576	2.00%	122,012
8	362	Special Collecting Structures	-	2.00%	-
9	363	Sevices to Customers	121,361	2.00%	2,427
10	364	Flow Measuring Devices	22,695	10.00%	2,270
11	365	Flow Measuring Installations	11,662	10.00%	1,166
12	366	Reuse Services	-	2.00%	-
13	367	Reuse Meters and Meter Installations	1,615	8.33%	135
14	370	Receiving Wells	51,885	3.33%	1,728
15	371	Pumping Equipment	975,551	12.50%	121,944
16	374	Reuse Distribution Reservoirs	-	2.50%	-
17	375	Reuse Transmission and Dist. Sys.	-	2.50%	-
18	380	Treatment and Disposal Equipment	12,362,103	5.00%	618,105
19	381	Plant Sewers	435,946	5.00%	21,797
20	382	Outfall Sewer Lines	1,261	3.33%	42
21	389	Other Plant and Misc. Equipment	275,505	6.67%	18,376
22	390	Office Furniture & Equipment	177,946	6.67%	11,869
23	390.1	Computers & Software	7,938	20.00%	1,588
24	391	Transportation Equipment	189,995	20.00%	37,999
25	392	Stores Equipment	-	4.00%	-
26	393	Tools, Shop & Garage Equipment	18,921	5.00%	946
27	394	Laboratory Equipment	12,175	10.00%	-
28	395	Power Operated Equipment	126,985	5.00%	6,349
29	396	Communications Equipment	12,016	10.00%	1,202
30	397	Miscellaneous Equipment	95,309	10.00%	9,531
31	398	Other Tangible Plant	166,941	10.00%	16,694
32		TEST YEAR GROSS PLANT AND DEPRECIATION EXPENSE	<u>\$ 26,814,412</u>		<u>\$ 1,105,248</u>
		Less:			
33		AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(1,207,071)	4.9648%	(59,928)
34		RUCO TOTAL DEPRECIATION EXPENSE			<u>\$ 1,045,320</u>
35		Company As Filed			1,497,193
36		Difference			<u>\$ (451,872)</u>
37		RUCO Adjustment (See TJC-6, Column (C) Line 34)			<u>\$ (451,872)</u>

**RUCO OPERATING INCOME ADJUSTMENT NO. 2
PROPERTY TAXES**

LINE NO.	Property Tax Calculation	[A] RUCO AS ADJUSTED	[B] RUCO RECOMMENDED
1	RUCO Adjusted Test Year Revenues	\$ 2,231,115	\$ 2,231,115
2	Multiplied by 2	2	2
3	Subtotal (Line 1 X Line 2)	\$ 4,462,230	\$ 4,462,230
4a	RUCO Adjusted Test Year Revenues	2,231,115	
4b	RUCO Recommended Revenue, Per Schedule TJC-6		4,926,330
5	Subtotal (Line 3 + Line 4a)	\$ 6,693,345	\$ 9,388,561
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	\$ 2,231,115	\$ 3,129,520
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 X Line 8)	\$ 4,462,230	\$ 6,259,040
10	Plus: 10% of CWIP Per Company Schedule E	243,735	243,735
11	Less: Net Book Value of Licensed Vehicles	77,783	77,783
12	Full Cash Value (Line 9 + Line 10 - Line 11)	\$ 4,628,183	\$ 6,424,993
13	Assessment Ratio	20.0%	20.0%
14	Assessed Value (Line 12 * Line 13)	\$ 925,637	\$ 1,284,999
15	Composite Property Tax Rate (Per RUCO Effective Property Tax Calculation Analysis W/P)	10.3559%	10.3559%
16	RUCO Adjusted Test Year Property Tax Expense (Line 14 * Line 15)	\$ 95,858	
17	Company Adjusted Test Year Property Tax (Per Company C-1 Schedule)	95,728	
18	RUCO Test Year Adjustment (Line 16-Line 17)	\$ 130	
19	Property Tax - RUCO Recommended Revenue (Line 14 * Line 15)		\$ 133,073
20	RUCO Test Year Adjusted Property Tax Expense (Line 16)		95,858
21	Increase/(Decrease) to Property Tax Expense		\$ 37,215
22	Increase/(Decrease) to Property Tax Expense		\$ 37,215
23	Increase in Revenue Requirement		2,695,215
24	Increase /(Decrease) to Property Tax per Dollar Increase in Revenue (Line 22 / Line 23)		0.013808

Far West Water & Sewer, Inc.
Docket No. WS-03478A-12-0307
Test Year Ended December 31, 2011

Wastewater Division
Surrebuttal Schedule TJC-11
Page 1 of 1

OPERATING INCOME ADJUSTMENT NO. 3
INTENTIONALLY LEFT BLANK

Line		
<u>No.</u>	<u>Description</u>	<u>Amount</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		

**OPERATING INCOME ADJUSTMENT NO. 4
SALARIES AND WAGES - OFFICERS & DIRECTORS**

Line No.	Description	[A] Salaries In Test Year	[B] Estimated Hours Worked	[C] Hours Allocated to FW Sewer	[D] RUCO Allocation Adjustment Factor	[E] RUCO Recommended Amount
1						
2	Paula Capestro	\$ 68,500	2,075	1	1,038	100%
3						\$ 68,500
4	Sandra Braden	68,500	250	1	125	12%
5						8,253
6	Totals	\$137,000				\$ 76,753
7						
8	Company Requested Test Year Amount As Filed					137,000
9						
10	Total RUCO Adjustment					\$ (60,247)
11						
12						
13						
14	Total Taxes Other Than Income As Filed by Company					\$ 76,451
15						
16	Total Taxes Other Than Income As Adjusted by RUCO					71,842
17						
18	RUCO Taxes Other Than Income Adjustment					\$ (4,609)
19						

Notes:
Company Response to Staff DR GWB 6.3

**OPERATING INCOME ADJUSTMENT NO. 5
SALARIES AND WAGES**

Line No.	Description	G/L Balance For Test Year Ended	Per Response to Staff DR JA-3.34	RUCO Adjustment
1				
2	Salaries and Wages	\$ 683,996	\$ 682,634	\$ (1,362)
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17	<u>References:</u>			
18	Per Company Response to Staff DR JA - 3.34			
19				

Far West Water & Sewer, Inc.
Docket No. WS-03478A-12-0307
Test Year Ended December 31, 2011

Wastewater Division
Surrebuttal Schedule TJC-14
Page 1 of 1

**OPERATING INCOME ADJUSTMENT NO. 6
INTENTIONALLY LEFT BLANK**

Line		
<u>No.</u>	<u>Description</u>	<u>Amount</u>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

**OPERATING INCOME ADJUSTMENT NO. 7
NORMALIZE BAD DEBT EXPENSE**

Line No.	Description	Amount
1		
2	2009 Bad Debt Expense - Schedule E	\$ 5,630
3	2010 Bad Debt Expense - Schedule E	-
4	2011 Bad Debt Expense - Schedule C-1	33,490
5		
6	Total Bad Debt Expense 2009 - 2011	\$ 39,120
7		
8	Divide by 3 Year Normalization Period	3
9		
10	3 Year Normalization of Repairs & Maintenance Expense	\$ 13,040
11		
12	Company Repairs & Maintenance Expense As Filed	33,490
13		
14		
15	Total RUCO Adjustment	\$ (20,450)
16		

**OPERATING INCOME ADJUSTMENT NO. 8
IMPUTE RV PARK REVENUES**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1		
2	Aquatic Center RV Lots Per Company Response to Gilkey Data Request 5.1	48
3		
4	X 12 Months	12
5		
6	Total Number of Bills	576
7		
8	Present Rate Per RV Lot	\$ 5.44
9		
10	Total Imputed Revenues for Aquatic Center RV Lots	\$ 3,133
11		
12	Total RUCO Adjustment	\$ 3,133

**OPERATING INCOME ADJUSTMENT NO. 9
NON-RECURRING LEGAL EXPENSES**

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
1		
2	Company Adjusted Test Year As Filed	\$ 43,865
3		
4	Staff Recommended and Adopted by Company in Rebuttal	<u>10,890</u>
5		
6	Staff Recommended Adjustment	\$ (32,975)
7		
8		
9	Total RUCO Adjustment	\$ (32,975)

**OPERATING INCOME ADJUSTMENT NO. 8
ADJUSTED TEST YEAR INCOME TAX EXPENSE**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1		
2	Total Adjusted Test Year Income Tax Expense As Filed by Company	\$ (676,904)
3		
4	Total Adjusted Test Year Income Tax Expense Per RUCO	(884,926)
5		
6	RUCO Adjusted Test Year Income Tax Expense Adjustment	(208,021)
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

WEIGHTED AVERAGE COST OF CAPITAL

LINE NO.	DESCRIPTION	(A) COMPANY PROPOSED	(B) RUCO ADJUSTMENT	(C) RUCO ADJUSTED	(D) CAPITAL RATIO	(E) COST	(F) WEIGHTED COST
1	LONG-TERM DEBT	\$ 21,323,943	\$ -	\$ 21,323,943	79.55%	6.90%	5.49%
2	SHORT-TERM DEBT	1,732,342	-	1,732,342	6.46%	8.07%	0.52%
3	COMMON EQUITY	<u>3,748,573</u>	<u>-</u>	<u>3,748,573</u>	<u>13.98%</u>	<u>9.25%</u>	<u>1.29%</u>
4	TOTAL CAPITALIZATION	<u>\$ 26,804,858</u>	<u>\$ -</u>	<u>\$ 26,804,858</u>	<u>100.00%</u>		
5	WEIGHTED AVERAGE COST OF CAPITAL						7.30%

REFERENCES:
TESTIMONY WAR